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Southeast Asia Report



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10 October 1985

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BURMA

TRADE MINISTRY ISSUES PADDY PROCUREMENT ORDERS

BK231506 Rangoon Domestic Service in Burmese 1330 GMT 23 Sep 85

/Excerpts/ The Ministry of Trade today issued Notification No 8/85 in connection with rules prescribed concerning the purchase and sale of paddy produced by farmers in 1985-86.

According to the notification, paddy produced by farmers in 1985-86 in 170 designated townships will be bought solely by the state. Farmers in the said townships are to sell their paddy only to the Agricultural and Farm Produce Trade Corporation.

The township people's council executive committees concerned are to fix the quota of paddy each farmer must sell in accordance with Ministry of Agriculture and Forests Notification No 4/78. The farmers are to sell the quota of paddy prescribed by the township people's council executive committees concerned to the Agricultural and Farm Produce Trade Corporation at prescribed rates by the 6th Waning Moon of Tagu, 1348 Burmese era--20 April 1986--at the latest.

With regard to milling and selling of surplus rice direct to consumers after the farmers have met their quotas, farmers in Kachin State, Sagaing Division and Mon and Rakhine states are to sell their surplus rice only within their own state or division as directed by the state and divisional people's council executive committees concerned.

In the remaining states and divisions, farmers are to sell their rice within their own townships only as directed by the Agricultural and Farm Produce Trade Corporation.

Action will be taken--to the extent of revoking the right to work the land--against anyone found contravening the rules prescribed in this notification or any rules prescribed on the basis of this notification.

The Trade Ministry also issued Notification No 9/85 today regarding the sale of paddy in 1985-86 as directed by the people's council executive committees.

The notification states that in connection with the purchase of paddy, the state and divisional people's council executive committees may issue necessary orders and take action in consultation with the Ministry of Cooperatives for designating paddy growing townships, other than those where the Agricultural

and Farm Produce Trade Corporation is the sole buyer of paddy under Notification No 8/85 issued by the Ministry of Trade on the 9th Waxing Moon of Tawthalin--23 September 1985.

In such designated townships, the farmers are to sell the quota of paddy fixed for each farmer by the township people's council executive committee concerned in paddy form or after milling into rice as directed by the state and divisional people's council executive committees concerned.

Should there be any surplus paddy after the sale of the prescribed quota, farmers may, after milling, sell rice and rice produce to the consumers within their own state and division as directed by the state and divisional executive committees concerned.

Anyone found contravening the rules stated in this notification or any rules issued on the basis of this notification may face a penalty which may be up to the extent of having the right to work the land being revoked.

CSO: 4211/92

BURMA

BRIEFS

FILM DELEGATION TO PRC--A five-member Burmese film delegation left for the PRC by a CAAC /Civil Aviation Administration of China/ aircraft this afternoon for a 2-week study tour under the bilateral cultural exchange program. The delegation was seen off at Rangoon airport by responsible officials from the Ministry of Information and departments and corporations concerned, and the charge d'affaires and staff members of the PRC Embassy. The Burmese delegation is headed by U Maung Maung Khin, managing director of the Motion Picture Corporation, and comprises as members U Maung Maung Latt, director for screening; U San Htar, deputy director of production; and U Myint Kyi and U Zaw Win, production assistants of the Information and Broadcasting Department. /Text/ /Rangoon Domestic Service in Burmese 1330 GMT 11 Sep 85/

JOURNALISTS DELEGATION RETURNS--A Burmese journalists delegation returned to Rangoon this afternoon by plane after visiting the PRC on a study tour for 2 weeks under a bilateral cultural exchange program. The Burmese delegation was led by U Aung Nyunt, deputy editor in chief of BOTATAUNG. The delegation was welcomed at the airport by responsible officials from the PRC embassy in Burma, the Department of Information and Broadcasting, and the News and Periodicals Corporation. /Text/ /Rangoon Domestic Service in Burmese 1330 GMT 7 Sep 85/

SOVIET VOLLEYBALL DELEGATION--A 16-member volleyball team from the Soviet Union's Lithuanian Soviet Socialist Republic has arrived in Rangoon by plane this morning to participate in Soviet-Burma friendship matches. The friendship matches will take place in Rangoon 12-16 September. The Soviet volleyball team was welcomed at the airport by Burmese sports officials and Soviet Embassy officials. /Summary/ /Rangoon Domestic Service in Burmese 0630 GMT 11 Sep 85/

CSO: 4211/92

INDONESIA

ARAUJO VOWS TO CONTINUE STRUGGLE FOR INDEPENDENCE

Lisbon AFRICA JORNAL in Portuguese 28 Aug 85, pp 12-13

[Interview with Abilio Araujo, chief of the FRETILIN (Revolutionary Front for East Timor Independence) Foreign Delegation, by Eugenio Inocencio: "Timor Will Continue to Struggle"; date and place of interview not given]

[Text] AFRICA JORNAL: In 1979 the Australian Liberal government recognized Indonesia's "de jure" annexation of Timor. Will the current Labor government now back up this recognition, by formalizing it? What is the FRETILIN position?

Abilio Araujo: Our position in regard to the Australian Government's recognition of Indonesia's occupation of Timor is, in the first place, one of strong condemnation of this attitude. With this recognition, Australia becomes an active accomplice in the war of genocide against our people.

Moreover, FRETILIN will respond to this attitude of the Australian Government as it responded in 1979: by continuing to struggle and by intensifying our information effort, particularly in Australia, where we know there has been strong reaction against this attitude of the government.

Moreover, the Labor Party, which supports the current government, approved a resolution at its 1984 congress in which it reaffirmed its support for the struggle of the Timor people and the positions of the FRETILIN.

We believe the trend of public opinion in Australia favorable to our cause will eventually be taken into consideration by the Australian Government.

In regard to other countries, especially those that do not have extensive economic relations with Indonesia, we do not see that there have occurred any major changes that would be unfavorable to us.

AFRICA JORNAL: But don't you think that this decision by Australia, especially at the level of the UN General Assembly, could increase the number of countries supporting the Indonesia position?

Abilio Araujo: At the level of the United Nations, in 1979, "de jure" recognition of the occupation did not carry along other countries, except for the Pacific nations. As you know, Australia, along with New Zealand, Vanuatu (formerly New

Hebrides), Fiji, the Solomon Islands, Western Samoa and Papua New Guinea, belongs to the Forum of the South Pacific.

Recognition by Australia in 1979 led Papua New Guinea to vote in favor of Indonesia, and the Solomon Islands, Western Samoa and Fiji to abstain. But even here the coattail effect was not complete: Vanuatu, for example, has always been at our side.

There is now another very important question in the Pacific area: the problem of New Caledonia. This struggle has the support of all Pacific nations. Australia takes a very ambiguous position and there is a strong disposition on the part of other countries, especially Vanuatu, to link the two situations: those of Timor and of New Caledonia.

The problems of Timor and of New Caledonia are beginning to be viewed as something affecting the great family of the Melanesian peoples. In the case of Timor, it is under the threat of genocide. In New Caledonia, the French colonialization policy caused the Melanesian people to become a minority in their own land.

AFRICA JOURNAL: In case of a "snowball effect" of recognitions--apparently quite unlikely in FRETILIN's view--what solutions will the movement adopt?

Abilio Araujo: At the domestic level, despite the physical and informational isolation, which also contributed somewhat to a certain diplomatic isolation, resistance has never ceased and there is now a massive movement toward the nationalist forces, representing all sectors of the nation. We are going to continue the struggle and we are convinced that Indonesia will not be able to end the war. The essence of our effort is to carry the armed struggle to the highest level. To use a phrase of the former bishop of Timor, I would say that "with or without the United Nations, we will continue to struggle."

AFRICA JOURNAL: What is the position of FRETILIN toward the behavior of the Portuguese Government in regard to the Timor problem?

Abilio Araujo: We have very serious criticism regarding the behavior of successive Portuguese administrations. Portugal's diplomacy has been taking increasingly negative positions. Until 1979, Portuguese diplomacy did nothing. For example, in 1979, there was no official reaction to Australia's recognition.

The first time that the possibility of serious action on the part of a Portuguese administration emerged was during the first Sa Carneiro administration. A sensible plan was worked up at that time and presented to the United Nations, contemplating a series of measures which, upon being implemented, would have initiated a very positive process. Later, the Balsemao government expressed to President Eanes the conviction that it was no longer possible to do anything.

Since that time President Eanes is the only authority in the Portuguese Government who did not let our problem die in Portuguese diplomacy. In his trips abroad he has made a point of discussing with his foreign counterparts the issue of Timor; he appointed engineer Maria de Lourdes Pintasilgo as his adviser for the Timor case, and he called a meeting of the Council of State to discuss the Timor question.

AFRICA JOURNAL: What about the impact abroad...

Abilio Araujo: Unfortunately, for reasons we assume are related to the joint responsibility of the prime minister's government and the president, Portuguese diplomacy has fallen far short of the necessary minimum.

Recently we were surprised by a report from the secretary general of the United Nations that Portugal was meeting with Indonesia. But we were never informed.

We insist upon participating in the negotiating process, as without participation by the people of Timor, without the participation of the FRETILIN and the other representative forces, a definitive and lasting solution is not possible.

But we know that any negotiating process is necessarily protracted and delicate. In any case, the fact that Indonesia, thanks to the role and the interest of the UN secretary general, is willing to negotiate within the framework of Resolution 37/30 is very positive.

We realize that demanding that the FRETILIN participate in the first phase of the negotiations could have postponed its start. But the least we would have expected Portugal was that it keep us informed.

Everything leads one to think that the major concern of the Portuguese Government is nothing more than finding a formula that lets it get rid of Timor, regardless of how, and, obviously, completely ignoring the interests of the Timorese people.

This lack of political ethics has even led Portuguese diplomats to advise our allies to quit supporting us.

AFRICA JOURNAL: Is FRETILIN thinking of taking any special action at the non-aligned conference to be held in Luanda?

Abilio Araujo: FRETILIN participated in the recent ministerial meeting of the Five [Angola, Mozambique, Guinea-Bissau, Cape Verde and Sao Tome and Principe] held in Sao Tome, where it presented a plan of diplomatic activities for the coming months. This plan includes a number of actions aimed at the coming non-aligned conference. Of course, the FRETILIN is not a voting member of the non-aligned movement. However, we are counting upon our allies to raise the Timor question so it can be discussed.

Indonesia will be represented at the Luanda conference by its foreign affairs minister, and we know that Malaysia will propose an Indonesian as the next president of the organization. We expect the next president to be from an African country, since the outgoing incumbent is an Indian, hence Asian, and her predecessor was a Cuban, representing South America. We know there is strong feeling among the African countries that the next president be an African.

AFRICA JOURNAL: You have spoken a number of times about the role of the Five as allies of FRETILIN. What place do they currently have in your movement's diplomatic activities?

Abilio Araujo: We are very grateful to the five African countries whose official language is Portuguese. The international attention given our struggle in the initial phase of the process, when we were not well-known, was due essentially to the action of the Five.

Despite the many problems that face them, they continue to provide us exemplary support and affection.

At all international conferences attended by the Five, the question of Timor is raised. Since the summit meetings of the Five were first institutionalized, we have been invited, as well as to the meetings at the ministerial level.

AFRICA JORNAL: Taken individually, what has been the role of each of the Five?

Abilio Araujo: At this moment there is a division of labor among the Five in reporting on our struggle to other African nations. Cape Verde has taken special action in the countries of the Sahel; Sao Tome, in the group supporting the SDAR [Saharan Democratic Arab Republic]; Guinea-Bissau has been conducting very positive activities among the Islamic nations; Angola and Mozambique have been responsible for the Frontline countries and those of the SADCC [Southern African Development Coordination Conference]. Likewise, the Five have had a very important role in winning over Brazil to our cause. Brazil is now on our side.

AFRICA JORNAL: In closing, what is the actual situation in Timor today?

Abilio Araujo: According to reports we received last week, the Indonesian forces have been launching major offensives before the end of the dry season. As you know, the period of torrential rains lasts about 8 months. Our forces have been resisting this offensive quite well. The number of combatants has been increasing, due mainly to desertions.

In regard to social conditions, Indonesia has been using the weapon of hunger, systematically destroying coconut trees, banana trees, fruit trees and various crops.

In the areas controlled by Indonesia, the situation is, in many cases, dramatic.

With the intention of complementing the purely military phase of the genocide it is carrying out, Indonesia has been sterilizing Timorese men and women, having already achieved a disturbing reduction in the birth rate. At the same time, it has initiated a heavy migratory flow of Indonesians to Timor, with the obvious purpose of transforming us into a minority in our own land.

We are convinced that our resistance will succeed in reaching its objectives and we continue to depend upon the support of our allies and of public opinion to achieve what at this moment is the highest aspiration of our people: achievement of political independence.

INDONESIA

CROWD CHEERS TESTIMONY AT DHARSONO TRIAL

HK250529 Hong Kong AFP in English 1234 GMT 24 Sep 85

/Text/ Jakarta, 24 Sep (AFP)--A key witness in the subversion trial of retired general Hartono Rekso Dharsono today told a packed Jarkart court that a paper signed by the defendant was designed to cool public feelings after a Moslem riot.

Former Mining Minister Salamet Bratanata, 57, who was called as a prosecution witness, said both he and Mr Dharsono had signed a white paper calling for a commission of inquiry into the riots and their aftermath on 18 September last year, 6 days after the incident.

Mr Dharsono, 60, a former secretary general of the Association of Southeast Asian Nations (ASEAN) faces a maximum sentence of death on six charges, one of which is connected with the issuing of the white paper.

"It was not designed to create unrest, but on the contrary to channel heated feelings," Mr Bratanata told the court.

He added that a daily newspaper (KOMPAS) had 2 days earlier also called for a factfinding commission, and that although at the time the military had said troops killed only 9 persons when quelling the riot, the figures were later updated to 18 and again to 30 dead.

Mr Bratanata brought cheers from the packed crowd listening to proceedings outside the court when he argued that he and other signatories of the white paper belonging to the dissident "Group of 50" were not subversives.

He told the court that the group, composed mainly of retired generals and former civil servants, had issued statements in the form of letters to parliament over the past 5 years, and that not once had the government forbidden them to hold meetings.

Asked by the prosecution whether the group intended to replace the present government, Mr Bratanata replied "you said that, not us," and added that the group saw much good in the New Order government of President Suharto and could rather be called "reformers."

A second witness, Moslem preacher A. M. Fatwa, secretary of the group of 50 who is on trial for subversion, told the court Mr Dharsono had met with him and other persons on the night of 18 September after the white paper had been signed.

However, he denied that it was Mr Dharsono who had inflamed the feelings of the participants at the meeting in his house as charged by the prosecution.

Mr Fatwa said that one person at the meeting, identified as Hamzah Harianja, had called out that someone should resort to using bombs, and that another participant, Rakhmat Bazuki, had called for a campaign of mental terror.

The prosecution has charged that Mr Dharsono inflamed the emotions of those present at the meeting, including Rakhmat Bazuki, who /word indistinct/ three Chinese owned properties the following month leaving two dead.

Mr Bazuki has already been sentenced for his part in the bombings.

The prosecution has also charged that Mr Dharsono knew of the bombing plot beforehand and failed to inform the authorities.

Mr Bratanata, who was minister of mines in the Suharto government until 1967 told AGENCE FRANCE-PRESSE after the 4-hour court session that he believed the prosecution was trying to establish a connection through circumstantial evidence between the issuing of the white paper and the planning of the bombings so that the government could "crush the opposition."

The presiding judge said the trial would resume Thursday when two more prosecution witnesses would be summoned.

CSO: 4200/1585

INDONESIA

'MAJOR OPERATION' AGAINST SUA PREPARED

BK220256 Bangkok THE NATION in English 22 Sep 85 p 2

/Text/ Chiang Mai--Burmese troops are preparing a major operation to push 500-700 soldiers of narcotics kingpin Khun Sa's Shan United Army (SUA) across the Thai-Burmese border as fierce fighting has broken out between the drug trafficking force and another hilltribe force along the frontier here, informed sources said yesterday.

The sources said that Rangoon had dispatched helicopters to the border area to monitor the situation there as its infantry troops advanced through thick jungle towards SUA hideouts located in the Samchu mountain range, about 3 km from Palong Village of Tambon Monpin in this northern province.

Meanwhile, Chang Li Fong, spokesman of the Lawa force, said that the hilltribe force had killed about 20 SUA fighters and wounded 40-50 others in clashes between the two rival forces which have raged since 9 September along a 30-km stretch of the Thai-Burmese frontier--from Tambon Mae Ngon in Fang District to Mae Ai District.

He said that eight SUA fighters surrendered to the Lawa force based at the village and handed over M79 grenade launchers, rocket-propelled grenades and M16 assault rifles.

The Lawa force was led by Commander Fong-E Thian, he said.

Chang Li Fong said that SUA fighters based at Samchu stronghold number 500-700, compared to 300-400 Lawa fighters split up into more than 3 units for the battle against the drug trafficking force.

Informed military sources said the Lawa force received arms from the Kuomintang as well as support from Taiwan in the battle against Khun Sa's troops.

The sources also said that Samchu mountain range was a major source of heroin production.

Chang Li Fong said that his Lawa force formerly worked with the SUA in the drug business but now wanted to stop its involvement in drug trafficking and return to a peaceful way of life. But the SUA wants the Lawa, which number 700-800, to continue to collaborate, he said.

As a result of the conflict, aggravated when Lawa people stop supplying the SUA, the two forces became up in arms against each other, according to the Lawa spokesman.

He said that the SUA is demanding a "protection fee" from 62 hilltribes in the area in the form of supplies and raw opium. Each hilltribesman is required to deliver 1,600 grammes of raw opium each harvest season, according to Chang Li Fong, who added that there are 5,000-10,000 hilltribesmen living in the border area.

Twelve Lawa fighters were killed and 18 wounded in fighting with SUA troops, he said. The wounded hilltribesmen were being treated at Fang Hospital, he added.

Chang Li Fong claimed that the hilltribespeople were forced by the SUA to become involved in the drug business. He said that the Lawa are spearheading a "rebellion" against Khun Sa's control over all the tribes in the area.

CSO: 4200/1584

LAOS

VIENTIANE PROVINCE SECRETARY ASSESSES SECURITY

Vientiane PASASON in Lao 22 Jul 85 pp 1, 3

[Article: "Vientiane Province Holds Meeting To Summarize Political Base Building"]

[Text] A congress was held in Vientiane Province to summarize the turning of the forces to the grassroots for political base building according to Plenum 51 of the party central committee politburo for the first 6-month period in 1985 and passed the last 6-month plan by the party committee of Vientiane Province. Participating at the meeting were Comrade Siphon Phalikham of the Party Central Committee and vice minister of national defense and Comrade Khamphai Ounlada, secretary of the Vientiane Province Party Committee. The meeting was successfully and gloriously closed on the afternoon of 12 July after being held for 3 days.

At the meeting Vientiane Province party secretary Comrade Khamphai Ounlada read a report summarizing the work of the forces converting to the grassroots for political base building in the first 6-months of this year. He pointed out clearly the situation and the special nature of the location of Vientiane Province, which is our nation's strategic province militarily, politically, and economically. Last year the [guiding] cadres of the province and districts who went down to work at the grassroots strongly grasped the contents of the plan and organizing techniques for the actual implementation according to Plenum 51 of the party central committee Politburo, which is in line with the actual situation of the localities. They turned over a new leaf for political base building quite well by the clear demonstration of party building, cadre training, improving the system for the dictatorship of the proletariat, and constructing and improving national defense and security forces at the grassroots level to make them strong and to advance to a new stage and to be able to resist and dismantle the clever schemes and psychological warfare of the imperialists, the Chinese expansionists and hegemonists, and other reactionaries in a timely manner in all cases, resulting in peace in the rural areas, districts, and mountainous areas at the base level. After that [the meeting] passed the last 6-month plan for 1985 on converting to the grassroots and political base building, e.g., quickly improving political ideology and organizations, considering national defense and security closely related to economic construction and raising the standard of living, and considering the economy to be a part of the basic problem. This is to implement Plenum 7 of the third session of the LPRP central committee and to make it a reality.

LAOS

LEADERS GREET POLAND ON NATIONAL DAY

Vientiane KHAOSAN PATHET LAO in Lao 22 Jul 85 pp A1, 2

[Text] On 21 July, Comrade Kaisorn Phoumviarn, secretary general of the Central Party Committee administration, and chairman of the Council of Ministers of the LPDR, and comrade Souphanouvong, president of the LPDR, together sent their best wishes in a telegram to Warsaw to comrade Wojciech Jaruzelski, secretary general of the Polish United Workers' Party and chairman of the Council of Ministers of the Polish People's Republic, and comrade Henryk Jablonski, chairman of the State Council of Poland, and comrade Stanley Sakowskia, the president of the People's Republic of Poland, with the following contents:

On the 41st anniversary of the formation of the People's Republic of Poland, in the name of the LPRP administration, the Supreme Council of the people, the Council of Ministers of the LPDR and the Lao people, we personally would like to send the warmest and sincerest congratulations to all comrades in the administration of the Polish Workers' Party, the State Council, the National Council, the government of the People's Republic of Poland and all fellow citizens of Poland.

The formation of the People's Republic of Poland 41 years ago was an historic turning point in the destiny of the people of Poland, who decided to follow the socialist way to development under the guidance of the Polish United Workers' Party with the assistance of and total cooperation of the USSR and socialist countries so that the people of Poland have seized many victories and major successes. These have made Poland a successful socialist country. Poland has contributed importantly to the stability of the socialist bloc in preserving security and peace in Europe as well as in the world.

Poland has confronted major crises created by internal and external imperialists and reactionaries, but under brave and firm guidance and with miraculous international assistance, the people of Poland have conquered all the enemy's destructive schemes, overcome all kinds of difficulties and preserved the fruits of the revolution, and they are leading the country to step up firmly.

We would like to salute the major victories that the people of Poland have garnered and held as theirs.

We are very pleased to see that the fraternal relations, militant solidarity and close cooperation between the LPDR and the People's Republic of Poland that are guided by Marxism-Leninism are growing and being strengthened for the common interests of the people of Laos and Poland for peace and socialism.

On this majestic occasion, we would like to more than ever wish the people of Poland victory in implementing all the measures that the 9th General Congress of the Party has laid out and the 6th 5-year State Plan, which aims to strengthen Poland in every area.

Long live the fraternal friendship, militant solidarity and close cooperation between the two parties, the two governments and the peoples of the two nations of Laos and Poland.

On the same day Comrade Phoun Sipaseut, vice chairman of the Council of Ministers and the minister of Foreign Affairs of the LPDR, also sent a best wishes telegram to Comrade Stefan Olszowski, the minister of Foreign Affairs of the People's Republic of Poland.

12597

CSO: 4206/171

LAOS

ARTILLERY BATTALION'S SHORTCOMINGS, TRAINING NOTED

Vientiane KONGTHAP PASASON LAO in Lao 1 Aug 85 p 3

[Article by Noi Meungsan: "Well Organized and Regularly Trained"]

[Text] A modern revolutionary army cannot be created easily by simply having officers and enlisted men, nor can it be done by leaving out this or that or leaving it to some company or person to do it. And just because there are modern regulations it does not mean it is adequate. Developing a unit into a company with proper regulations and making it into a driving force with modern military equipment requires strict understanding and conscientiousness on the part of each combatant cadre. Prior to 1985 the Artillery Battalion "B" Regiment under Division "D" in the central region had not yet absorbed and thoroughly understood how to develop a unit. A majority of the cadres still thought that in order to have a modern regulation army all we needed were beautiful uniforms and sufficient items to assemble modern military equipment. They had no idea of self- and collective mastery. They failed to be conscientious in organizing and carrying out the regulations of the unit. As time passed the cadres gradually learned lessons in improving the constructing their unit until by now they have admirably succeeded in changing the face of the unit.

Emphasizing the special characteristics and the duties of the unit, after 1984 the cadres and party members together studied the basic strengths and weaknesses of the unit. They finally realized that the battalion cadres throughout the division are all beloved children of the people of ethnic groups with a spirit of diligence and persistence. The decision to build the unit was then confidently carried out. Detailed plans for the cadres at each level were disseminated and carried out since the first day of 1985. The expected figures of the plan have gradually been carried out very well by the personnel throughout the battalion, because the cadres that are responsible for each level are all deeply and closely involved and have become models in all work areas. In the beginning it was difficult to carry out the unit regulations. This was because everyone could not go out to have fun and come back as late as they liked, as they did before. Every hour of every day they had to work. There was no free time for them to just sit around and waste like unemployed people. Today their battalion has adopted regulations which are more substantive and stricter than before.

Naturally the former dirty face of the Artillery Battalion "B" Regiment, Division "D" in the central region has become a clear mirror for the entire division to reflect and learn from. The efforts and decision of the military officers of Battalion "B" have provided a confident path for advancing the construction of our army and for making it into a modern army under regulations.

Now there is a cheerful atmosphere throughout Artillery Battalion "B" Regiment. They play [basketball] and Takraw (a woven rattan ball). There is an increase in official hours, during which they organize military training and do other tasks depending on the work allocation. Thus, no one has to feel sad or worry about this or that like the time when they were not following regulations. And what enlivens the unit is the nearby counting cadence one! two! three! four! which pierces the quiet every morning. These sounds immediately demonstrate the strict regulations of their unit, and also the fact that the organizational techniques and the inspection of the cadres in this unit are good. In the morning they have physical exercise, and in the evening they stand in formation for roll call, to inspect the number of personnel, to recheck the day's work that has been done, and to report on their work when the day is over. Besides the regulations mentioned, Artillery Battalion "B" Regiment, Division "D", also has regular weapons cleaning and inspection. The evening of a scheduled day of the week is a day for clean up of the camp area when they clean and polish their weapons and vehicles and military equipment. Because of this routine work their guns and trucks are always in order and prepared for combat.

Artillery Battalion "B" Regiment which is subordinate to Division "D" is not only strict in adhering well to the regulations. What is even more admirable is their truly outstanding upgrading in terms of knowledge and ability. This is for colors to decorate their battalion. In order to become a driving force in using modern weapons effectively and to guarantee efficiency in carrying out their duties, their battalion has them study military science and artillery 4 times a week, on Monday, Wednesday, Thursday, and Saturday mornings. This is regular training. They wait neither for orders nor teachers from the higher echelons for their training lessons. However, they always wait for the order to carry out their duty. The training started in January of this year, and is continuing. The training has clearly increased their ability. All the organizing techniques and training have become valuable lessons in continuing to improve and construct their unit. Their unit is proud and has not stopped its pace. They continue to have confidence in making themselves into a better and stricter unit in the future. They are now joining together to score achievements to celebrate the 10th anniversary of our nation.

9884

CSO: 4206/177

LAOS

LUANG PRABANG CO-OP REVIVAL, LAND REFORM, PRIVATE SECTOR

Vientiane PASASCN in Lao 25 Jul 85 pp 2, 3

[Article by Khaikeo Khammani: "Agricultural Co-op Conversion in Luang Prabang"]

[Excerpts] Agriculture in Luang Prabang has been expanding for 8 years. In 1978 the province began to organize two agricultural co-ops, one unit in Oudomsai District and another in Luang Prabang District. A collective style of living experiment was carried out up to the end of 1978. Later in 1979, 62 more units were set up.

In 1980, 12 more agricultural co-op units were added. There is now a total of 74 units throughout the province. From 1981 to 1983, because of the drought and lack of management experience many co-op units failed. In 1984 the party committee and the administrative committee of Luang Prabang Province attentively guided, led, and hurriedly emphasized revising the aborted agricultural co-ops, and at the same time expanded them when it was possible. By the end of 1984 they were able to revive and expanded the total to 89 units. They improved 47 existing co-ops and revived 42 of the failed units. These included 81 percent of the [families] that engage in rice growing. There are now 28,107 co-op members or 91.7 percent of the farmers. There are 10,501 primary laborers and 3,335 secondary laborers, and 3,690 hectares of rice fields or 45.35 percent of the rice fields throughout the province.

In 1985 alone 12 new agricultural co-op units were added in Ngoi District. Thus, there are now 101 units. Moreover, throughout the province there are 317 labor exchange units, 1,840 families, and 14,680 people who are mostly settled in highland cultivation areas.

Recalling the beginning of the agricultural co-op conversion in Luang Prabang Province, after mobilizing farmers to turn to collective living in the form of agricultural co-ops wherever it was possible and organizing solidarity and labor exchange units, farmer families volunteered to join the co-ops by handing in vehicles and production tools, e.g., their ricefields and draft animals to the co-ops, in the first year, and a number of co-ops rented them. The province allocated 100 hectares of land whose ownership was transferred from the feudalists to the co-ops. The present goal for primary production of the co-ops is to grow rice. The growing of secondary crops and industrial crops, animal husbandry, and other occupations are still oriented toward the family economy.

Over the 8 years the agricultural co-op members have struggled with many difficulties. They encountered problems in managerial techniques and guidance in collective living because of unfamiliarity and the lack of experience. Intensive agriculture is something new. Therefore, it sometimes affects production. However, with the assistance of the higher echelons and doing things over and over again, they were able to have fruitful production step by step. As a result they can see a difference from before in both the level of expansion for the standard of living and progress in socioculture. They have also carried out their obligation toward the government very well, e.g., by paying agricultural taxes, selling rice to the government, and carrying out their security work. They have also been able to mobilize laborers to take part in irrigation construction and in irrigation ditch repairs, e.g., the co-ops in Luang Prabang District and in Nan, Pak Ou, and Oudomsai Districts, in guaranteeing national defense and security work in localities, and in constructing a hospital and school for small children to study and to have a new life style.

The province has been working hard so that in the years that follow (1985-1990) they will be able to expand completely and successfully agricultural co-ops in the farm area and continue expanding into possible highland cultivation areas and forestry co-ops. In 1990 they must expand the co-ops to 300 units and solidarity and labor exchange units in 900 villages in the highland cultivation areas, and they must train 1,592 co-op managerial cadres.

The agricultural co-op members are now putting all their brain and their sweat and energy into attentively taking care of wet rice and intensive agricultural ricefields so that the expected figures of 111,000 tons and 97,000 tons for rice only set by the province will become reality.

9884

CSO: 4206/170

LAOS

DETAILS OF NGHIA BINH-CHAMPASSAK COOPERATION, TRADE

Vientiane PASASON in Lao 24 Jul 85 p 2

[Article by Keo Souvan: "Effective Cooperation" (on the occasion of the 8th anniversary of the signing of Laos-Vietnam friendship and cooperation 18 July 1977-18 July 1985)]

[Text] Early in 1979 Nghia Binh and Champassak Provinces signed an agreement to become twin provinces. These two provinces are different in terms of economic advantages. Nghia Binh is on the seashore and deals in sea products, while Champassak Province is primarily agricultural. These are the reasons for the two twin provinces to trade with each other.

In order to carry out the agreement, in the past 2 years (1983 and 1984) Nghia Binh Province has helped Champassak Province by constructing a material and economic base and by improving educational and cultural work so as to raise the standard of living of the people step by step.

In February 1985 a Champassak Province delegation visited Nghia Binh Province. The delegation affirmed once again that "the assistance that Nghia Binh has given to Champassak is fraternal and effective." Nghia Binh helped in surveying and assigning irrigation and soil analysis in Champassak Province. In 1984 Nghia Binh helped with 20 tons of rice seedlings. Because of the good planting technique these new rice strains brought us a harvest that was successful as never before (2.6 tons per hectare). The assistance also included construction of a provincial veterinary station, water pump, insecticide, a survey of sugar cane cultivation area and sugar cane growing complete with the installation of a small machine for producing sugar, and a brick and tile factory for producing 2 million bricks per year. They also helped in constructing a provincial radio broadcasting station and a pharmaceutical plant.

The cooperation also included the training of technical and scientific cadres. In past years Nghia Binh has helped Champassak in training over a hundred cadres in different ways, e.g., cadres were assigned to Champassak to supervise technical science, short training courses were organized, and Champassak agricultural cadres were accepted for long-term courses in Nghia Binh.

One long-term issue proposed by the twin provinces was local goods exchange. Over the past 2 years Champassak has sold coffee, soybeans, peanuts, mung beans, and lumber, and purchased cement, sugar, fish sauce, and household

items at prices that both sides agreed was proper. In 1983 the twin provinces had trade totalling approximately 8 million kip, and in 1984 it increased to 50 million kip.

Although there has not been a lot of merchandise and its quality has not been high, it has helped in raising the standard of living of the people in the twin provinces and in promoting and strengthening trade. On 5 July 1985 the provincial industry distributing company in Champassak Province held a ceremony to sign a memorandum of the plan to carry out 1985 trade between the Champassak Province Industrial Goods Distributing Company and the Nghia Binh Provincial Import and Export Company of the SRV. The memorandum stated that both parties will review their mutual trade plans and will continue their cooperation regarding the 1979 agreement of the twin provinces.

The people of ethnic groups in Champassak Province are now feverishly and successfully carrying out the plan for the last 6 months for the province, including the plan on cooperation with the twin province of Nghia Binh.

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CSO: 4206/170

LAOS

SRV-AIDED COAL ENTERPRISE, ADVISOR'S ROLE DESCRIBED

Vientiane PASASON in Lao 24 Jul 85 p 2

[Article by Chittalat: "The Eternal Friendship"]

[Excerpts] The Laos-Vietnam Friendship Coal Plant under the Dong Chong Auto Repair Company, Ministry of Transportation and Posts, is a result of the mutual assistance between the SRV and the LPDR based on the friendship agreement signed by both governments on 18 July 1977.

Anyone who has a chance to visit and observe the work of the Lao workers and Vietnamese experts will understand how they work together. From what I saw it was difficult to tell the difference between the Lao workers and the Vietnamese experts because everyone was working enthusiastically with a high sense of responsibility for their work, as though they were joint owners of the plant.

I was proud when Comrade Somphon, chief of the coal production plant, told us that the one who wore the rather old but clean blue outfit and was working intensively on the machines was the most active one in the plant. He was the only Vietnamese expert who had come to help to install the machine for producing coal and to help the Lao workers here to acquire the skills to operate the machine and learn how to produce high-quality coal. His name was Nguyen Son Lam.

Comrade Nguyen Son Lam has been working at the plant since the first day the plant construction got started on 5 November 1984. After it was finished many comrades returned to Hanoi. When the official hand-over ceremony was held on 6 April 1985 only Nguyen Son Lam remained to work in the plant. Since he leads the Lao workers to do the actual tasks when he explains the task to them, he thus can speak Lao clearly. The Lao workers also speak Vietnamese well enough so they can understand each other.

Comrade Nguyen Son Lam told us further that this was the first time there was a coal producing plant in Laos. Coal production is a new task for the Lao workers. He feels that they are energetic and do not discriminate between light and heavy work, and they never complain about whether the weather is hot or cold. They always pay attention to their studies in theory and practice. He himself is ready to teach them both theory and practice as much as he can, and he will also stand side by side with the Lao workers to produce a total of 42 tons of coal in the last 6 months of this year because Laos and Vietnam are like brothers who have the same parents.

LAOS

STATE-PRIVATE MEAT SALES ENTERPRISE NOTED

Vientiane VIENTIANE MAI in Lao 6 Aug 85 p 2

[Article: "The State-Private Animal Purchasing and Meat Sales Enterprise In Sisattanak District"]

[Text] While the cadres in various work sections around Sisattanak District, Vientiane Capital, are emulating each other to score achievements for the soon-to-be-opened first district party committee congress, the members of the State-Private Animal Purchasing and Meat Sales Enterprise in Sisattanak District, although having been organized less than a year, are full of achievements and valuable experience in meat sales, and were able to raise fairly well the standard of living for the cadres and the people within their district. I went to see Toui Inthanan, chief of the Sisattanak District State-Private Animal Purchasing and Meat Sales Enterprise, where I learned that the enterprise was set up on 25 December 1984 with a total of 102 members and 1,240 shares of 1000 kip each. The State has 620 shares, and 620 shares are owned by the private sector. The total capital was 1,240,000 kip, and there were 5 [members of the] board of directors. It was divided into 4 work units: administration, finance, purchasing, and meat sales. At the beginning they encountered several obstacles and difficulties, e.g., the guidance committee did not have much experience, and the members were not yet familiar with collective trade from the aspect of solidarity, love, and mutual assistance.

After having overcome the many obstacles and problems, in the emulation to score achievements in June 1985 the members of this enterprise were able to achieve the following. They purchased a total of 1,775 animals in localities and production bases. Of this number 126 were cattle, 476 were buffalo, and 1,173 were pigs. From these they produced a total of 370,073.5 kg of meat, and feet, heads, and skin in the amount of 13,746 kg. The meat was sold to the cadres in the district as follows: 4842 kg of pork, 1107.5 kg of buffalo meat, and 26.5 kg of beef. The rest was sold to state stores and in the markets in the district. In the first 6 months of this year their profit totalled 1,628,133 ig. Besides doing a good job in animal purchasing and meat sales in the markets and in raising the standard of living of the

cadres, the members of the enterprise also determinedly helped the administrative committee to protect offices and organizations, worked on collective health, and built a new club in preparation for the district party committee congress. In particular, they also gave cattle for the upcoming district party congress.

The members of the enterprise are now enthusiastically and determinedly purchasing animals and selling meat and taking part in raising the standard of living of the cadres and the people within their district step by step.

9884

CSO: 4206/177

LAOS

SAVANNAKHET ANIMAL FEED PLANT PRODUCTION

Vientiane PASASON in Lao 23 Jul 85 p 2

[Article by Bounyong Saipanya: "The Km 4 Savannakhet Animal Feed Plant"]

[Excerpts] I had an opportunity to speak with a comrade who is responsible for the animal feed plant. He said that this animal feed plant is a factory under the company for raising animals and fish of the agriculture, irrigation, and agricultural co-op section in Savannakhet Province.

This plant now has only five comrades: two are mid-level technicians and two are production workers. The machines used in daily production are two 15-hp pulverizers and two 10-hp animal feed mixers, and a machine for removing corn kernels from the cob. There is also a 7,000 watt dryer with a capacity of 300 kg of raw materials, and a number of other machines.

In answering questions about the good points and difficulties he had in his past production he said, "We started installing the machines in early 1978 with a budget approved by our province. Concerning production, from 1978 to 1982 we had many problems, especially a lack of experienced technicians. We had very little experience in organizing and carrying things out. We also had insufficient raw materials to supply to the factory. Thus, we could only buy food to mix with raw materials and make it into a small amount of ready-made animal feed only for the livestock within our station.

However, after the plenum of the third party congress and its supportive position, production has been expanding step by step. In fact, even though there are still some difficulties with production, in particular, the capacity of the machines is still low and the amount of raw materials supplied for the plant is still small and scattered and raw materials ordered from abroad, e.g., ground dried fish, and spare parts for the plant are still difficult to find, nevertheless since 1985 our factory workers have been able to manufacture different kinds of animal feed. They produced animal feed for chickens Nos 11, 12, 21, 22, 23, and 24 totalling 63,058,315 kg, for pigs Nos 31, 32, 34, 35 and 36 totalling 36,290.83 kg, and for fish Nos 40, 41, and 42 totalling 2,554.75 kg. We also produced 1,471,385 kg of turkey feed."

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CSO: 4206/170

LAOS

BRIEFS

VIENTIANE DISTRICT ANTI-REGIME ACTIVITY SUPPRESSION--During these past years, all the cadres of the national security service of Sikhottabong District, Vientiane Municipality, have enthusiastically worked at all their special skilled tasks. These fighters have actively and vigorously built up their forces politically and organizationally, which has guaranteed security within their district as well as in Vientiane Municipality. During the past year's operations they were able to beat the enemy 11 times, kill 24 of them, arrest 42 men who came across the river to move around, seize 21 guns, 19 bombs, 11 grenades, 2 explosives and 2 cameras, destroy 19 reactionary spy units and arrest 161 men, try 292 political defendants of which 91 were women, try 512 criminals of which 138 were women, and send 1,203 persons of which 545 were women to reform school. [Excerpt] [Vientiane VIENTIANE MAI in Lao 20 Jul 85 p 1] 12597

VIENTIANE PROVINCE BANK OPERATIONS--During the first 6 months of this year, the State Bank's Vientiane Province branch and district branches throughout Vientiane Province all concentrated on encouraging cadres, soldiers and urban area plains people, as well as those in rural areas. These people have all been conscientious and put their money in savings accounts with the State Bank. The savings lottery has been popular and successful. Total savings deposits are k55,160 kip and savings deposit lottery sales 327,460 kip. Along with that, the State Bank's Vientiane Province branch also opened up short term and long term loans for cooperatives for improving their establishment and production. In the first 6 months of this year, the banks provided loans to cooperatives totaling 6,930,266 kip. [Excerpt] [Vientiane VIENTIANE MAI in Lao 22 Jul 85 p 1] 12597

BOLIKHAMSAI FOREST PRODUCTION--To score achievements for commemorating the upcoming 10th national anniversary date on 2 December, during the first 6 months of 1985, administration cadres and workers of the Timber Section under the Bolikhamsai Province Industry, Handicrafts and Forestry Division cut 7,000 cubic meters of various kinds of timber and 8,000 pieces of rattan. In addition, they planted 12,000 seedlings and collected 6 tons of cinnamon, 10 tons of rubber oil, 36 tons of resins and many other materials. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 24 Jul 85 p A4] 12597

HOUA PHAN TRANSPORTATION INCOME, ROAD CONSTRUCTION--During the first 6 months of 1985, all the workers of the Houa Phan Transport Company seriously worked and reached their projected levels. A total of 200 tons of goods were transported, which is 45.36 percent of the projected plan and 10,000 passengers, which represents 62.43 percent of the plan. They also assembled all kinds of vehicles. To date, they have been able to generate an income of 4 million kip for the company. A report shows that over the same period the workers of the Mouang Na District road construction unit also cut a road from Xam Tai District to Mouang Na District. They cleared 4 km of road surface, repaired 5 km of bad roads, repaired 7 km of secondary roads and repaired 4 bridges. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 19 Jul 85 p 3] 12497

VIENTIANE BANK DEPOSITS, USES--The people, cadres, and workers in Vientiane Capital have been depositing their savings since 1981, according to figures collected from the Vientiane Capital branch of the State Bank. Figures for savings deposits by the people, cadres, and workers in the Vientiane Capital branch of the State Bank, which are for seven different bank branches around Vientiane Capital, are: 309,000 kip for 1981; 352,000 kip for 1982; 3,279,000 kip for 1983; 5,131,000 kip for 1984; and for this year the Vientiane Capital branch of the State Bank has set the figure for savings deposits at 8,200,000 kip. After the first 6 months of this year they had received 2,885,469 kip, and they expect to receive the set figure for savings deposited by the people, cadres, and workers. Comrade Mrs Chanthachon Phanthanvong, assistant chairman of the State Bank and chief of the Vientiane Capital Bank, appealed to the cadres, workers, and the people to deposit their savings in the bank for reasons of safety and to participate in agriculture, handicrafts, the construction of hospitals and schools, different industrial and handicraft [enterprises], etc. This would be beneficial to both parties, the bank and the depositors, since the depositors will receive interest and can make withdrawals whenever they need to. [Excerpt] [Vientiane VIENTIANE MAI in Lao 7 Aug 85 p 2] 9884

PROVINCE CHIEF, FRENCH AMBASSADOR, MEET--On the afternoon of 30 July 1985 in the Vientiane Capital Administrative Office Mr Khambou Sounisai of the LPRP Central Committee and chairman of the Vientiane Administrative Committee welcomed Mr (Mark Mengki), the new French ambassador extraordinary and plenipotentiary to Laos. During the visit Mr Khambou Sounisai informed Mr (Mark Mengki) of achievements in various tasks in years past. They have gradually raised the standard of living of the people of ethnic groups, and for the cadres and workers. The conversation of the guest and the host was carried out in a friendly manner. At the end the administrative chairman wished Mr (Mark Mengki) success in his work in the LPDR. [Text] [Vientiane VIENTIANE MAI in Lao 1 Aug 85 p 1] 9884

ELECTRICITY PRODUCTION, SALES--On the morning of 31 July 1985 a ceremony was held in the Lao State Electrification Enterprise club to summarize officially the first 6 months' results for 1985 and to adopt a plan for the last 6 months. Honored participants in the ceremony were Mr Khammon Phonkeo, chief of the Lao State Electrification Enterprise, along with the assistant chief and [representatives of] various organizations. During the first 6-month period they carried out the following tasks. The cadres and workers of the Nam Ngum Hydropower Plant produced 445,385,200 kWh, and the electric pole production plant produced 1,298 poles of which 882 were 12 meters and 416 were 8 meters. They produced 184 [foundations] for electric poles which was production beyond the plan. They distributed 406,497,555 kWh of which 365,174,800 kWh was exported and 4,132,275,576 kWh was distributed domestically. They received 615,452,123.00 kip from business, of which 564,173,117 kip was from electricity costs and 51,591,051 kip was installation cost, etc. [Excerpts] [Vientiane VIENTIANE MAI in Lao 1 Aug 85 pp 1, 4] 9884

VIENTIANE CAPITAL ORGANIZATION MEMBERSHIP--The members of the youth union and the Lao Women's Association throughout Sikhottabong District, Vientiane Capital, have attentively and determinedly expanded their numbers. Throughout Sikhottabong District there are now 11 youth union executive committee members. Here there is one member of the Vientiane Capital Youth Union Committee. The organization has 2,104 members of which 1,077 are women. The expansion of the Lao Women's Association is continuing. There are 11 women's associations throughout the district. Here there is one member of the women's association in Vientiane Capital. In the district there is a total of 2,179 members of the women's association, and a total of 668 cadres and workers of which 322 are women. Here 427 have become trade union members and 342 of these members are women. [Excerpts] [Vientiane VIENTIANE MAI in Lao 29 Jul 85 pp 1, 4] 9884

VIENTIANE TAX COLLECTION, SMUGGLING--Through the first 40month period of this year the revenue cadres and workers in Sikhottabong District, Vientiane Capital, all actively carried out their specialized task. During this period they were able to collect a total of 7,422,923 kip of taxes from private enterprise bases, trade and industrial fees, etc. They also educated a number of illegal merchants who had violated the trade regulations. [Excerpt] [Vientiane VIENTIANE MAI in Lao 27 Jul 85 p 1] 9884

SEKONG PROVINCE LINKS TO SRV--Sekong is a new province in the southern region of our country. It is between Saravane and Attapeu Provinces, and Route 18 cuts through the middle of the province from north to south. It has 50,909 people, 26,252 women, 3 districts (Lao Ngam, Kaleum, and (Dac Trong), 21 cantons, 319 villages, and 14 ethnic groups. On 15 May 1984 it was announced as a new province (Sekong Province), and it completely separated itself from Saravane Province. Comrade (Bo Yeun Le Viet Mouang) of the party central committee and the guidance committee on the establishment of Sekong Province told us that from now on Sekong Province will build a strategic route to the twin province of Quang Nam-Danang and out to the sea with the cooperation of neighboring Vietnam. Workers from the twin province of Quang Nam-Danang will come not only to help

in constructing communications routes but also to help in constructing housing, etc. Sekong Province has 1,240 hectares for cardamom cultivation which yields 280 tons per year, and it has 765 hectares for coffee cultivation which yields 300 tons per year. Sekong Province has a trade arrangement and has signed a mutual assistance agreement with Attapeu Province. In other words, Attapeu helps in terms of food supplies and Sekong will produce coffee and cardamom in exchange. Sometimes it receives help from Quang Nam-Danang Province in terms of indispensable goods. [Excerpt] [Vientiane PASASON in Lao 24 Jul 85 pp 2,3] 9884

CHAMPASSAK HOSPITAL CAPACITIES--The Champassak provincial hospital is a trusted center for the masses and patients who come for treatment. It has 250 beds and 139 medical personnel, 6 high-level personnel and 29 mid-level personnel. Many of the medical personnel have studied in the SRV and in the USSR. Although there is a small number of medical personnel which is not sufficient for the needs of the patients, everyone has been effectively shouldering their party political duty all along. Generally speaking, a medical cadre is responsible for two to three patient beds. Since the complete liberation of our nation, the Champassak Provincial Hospital has belonged to the people throughout the provinces in the southern region. Everyone who comes to it for treatment is well taken care of with no charge. Each medical cadre carefully eliminates the three serious diseases of enteritis, malaria, and pneumonia. In the first 6 months of 1985 there were 4,393 inpatients, 4,076 were treated, 25,899 were examined, 3,309 children were examined, 333 people had major and medium operations, and 45 people had surgery for gallstones, liver, and other minor surgery. We received aid from our twin province Nghia Binh of the SRV, for example, anti-malaria medicine and a number of implements. The medical cadres not only treat patients but are also able to produce 30 liters of serum per week. [Excerpts] [Vientiane PASASON in Lao 23 Jul 85 p 2] 9884

CSO: 4206/170

MALAYSIA

BRIEFS

PIRATES RAID BANK--Kuala Lumpur, 23 Sep (AFP)--Eleven people were killed and several injured when a group of 15 armed men, believed to be pirates, launched a raid on banks and other businesses in Sabah, East Malaysia, today, BERNAMA NEWS AGENCY said. The BERNAMA report datelined Lahad Datu, an isolated area some 400 miles (640 km) from the Sabah state capital, Kota Kinabalu, said that the 11 dead included a policeman, a bank employee and 2 of the pirates. BERNAMA, quoting an official of the Standard Chartered Bank, said 10 people were killed in the bank, which was one of several business organizations raided by the pirates. The attackers, all carrying M-16 rifles, grabbed money from the counter in the bank before rushing out. They are believed to have taken about 30,000 U.S. dollars. The state deputy commissioner of police, Henry Chin, told BERNAMA that the attackers were pirates, but refused to give further details of today's raids, saying that he was awaiting reports from the officers at the scene.
/Text/ /Hong Kong AFP in English 1408 GMT 23 Sep 85/

DEFENSE EXPORT SERVICE OFFICE--Malaysia has requested Britain to set up a defense export service organization office in Kuala Lumpur as a base for the ASEAN region. The Deputy Defense Minister Datuk Abang Abu Bakar says such a base is necessary to facilitate maintenance of military equipment bought from Britain. It will also help in the transfer of British technology and know-how to ASEAN countries. He said this to newsmen after meeting the parliamentary undersecretary of the United Kingdom, Mr John (Leigh), at his office in the federal capital today. The deputy minister also stressed the importance of making Malaysia as the base of manufacturing defense equipment in the region.
/Text/ /Kuala Lumpur International Service in English 0600 GMT 24 Sep 85/

NATIONAL DEBT DECLINES--Kuala Lumpur, Tuesday [30 July]--The national debt declined by M\$3.26 billion from M\$57.66 billion last year to M\$54.40 billion as of 30 June of this year, Finance Minister Mr Daim Zainuddin said. Interest due on this debt amounts to M\$4.74 billion. The amount paid as of the end of last year totaled M\$4.33 billion. The minister provided this information in today's Senate session in a written response to a query from Senator Toh Muda Dr Abdullah Fadzil Che Wan who wanted to know the size of the national debt. The minister explained that the government at this time had no problem in making payments on the debt as well as interest on the loans it had obtained. "The government is always cautious in managing the loans it obtains and ensuring that repayment is made on schedule," he said. [Text] [Kuala Lumpur BERITA HARIAN in Malay 31 Jul 85 p 1] 6804

MALAYSIA

PAS READINESS TO ACCEPT CHINESE AS CHIEF OF STATE REAFFIRMED

Kuala Lumpur BERITA MINGGU in Malay 28 Jul 85 p 1

[Article by Nasir Hassan: "PAS Will Accept a Non-Malay as Chief of State"]

[Text] Kota Baharu, Saturday [27 July]--The PAS [Pan-Malaysian Islamic Party] repeated its stand that the party would accept a Chinese as the chief of state as long as his leadership did not conflict with Islamic teachings and principles.

Haji Nik Abdul Aziz Nik Mat, chairman of the PAS Ulema Council, explained that there was no reason why the PAS could not accept non-Malay leadership as long as it did not conflict with the concepts laid down in the Koran and the Tradition.

"Islam has never prevented a member of any ethnic group in the world from becoming a national leader as is written in the Koran and the Tradition. Anyone who is qualified can be made the head of state," he explained.

Speaking at the PAS-MCA [Malayan Chinese Association] fellowship and dialogue meeting held at the Chinese Trade Council here this evening, Haji Nik Abdul Aziz, who is also state PAS commissioner, said he had to repeat the party's stand on this question to avoid any confusion that might arise.

This declaration followed a recent statement made by Haji Abdul Hadi Awang, the PAS deputy supreme head, who felt that a Chinese could become chief of state.

Almost 1,000 persons, including some 300 non-Muslims, attended this meeting.

Haji Nik Abdul Aziz explained that there were more effective ways of creating ethnic unity in this country than those attempted by the National Front.

One of them was to "Islamize" the ethnic groups in Malaysia so that they became one strong family that firmly supported Islam and its struggle, he added.

He outlined several reasons why the party was taking such a tolerant stand toward non-Muslims, especially Chinese, in Malaysia during the fellowship and dialogue meeting.

MALAYSIA

MUSA ACCUSES PAS OF FLIRTING WITH NON-MUSLIMS

Kuala Lumpur UTUSAN MALAYSIA in Malay 27 Jul 85 pp 1, 6

[Article: "Pas Flirts with Non-Muslims; Musa Urges UMNO Members Not To Be Defensive"]

[Text] Besut, 26 July--Datuk Musa Hitam today accused the PAS [Pan-Malayan Islamic Party] of "flirting" with non-Muslims while they have been accusing UMNO [United Malays National Organization] of being too friendly with all ethnic groups.

"Earlier they denounced us, but now they are copying us," said the deputy prime minister when speaking at the official opening of the Besut District UMNO representatives meeting held at the Kampung Raja Area Council here this afternoon.

New Tactic

Nevertheless, in urging UMNO members not to be defensive about or alarmed by the new PAS tactic, Datuk Musa, who is also the UMNO vice president, explained that UMNO was not angered by or jealous of what the PAS was doing.

"We are not angry about this because what the PAS is now doing is what the UMNO has been doing for a long time. So, they are merely imitating us.

"Earlier they criticized us, said we were infidels, said everything we did was wrong, but now they are smiling just as we smile because they are flirting with non-Muslims and non-Malays," he clarified.

Datuk Musa's statement clearly was aimed at the grand-scale dialogue held by the PAS with Chinese and Indians at the Kelantan Chinese Trade Council in Kota Baharu today. The deputy prime minister said the PAS had been forced to change its tactics and strategy after it found its ancient and limited struggle had brought no rewards to date. Nevertheless, he affirmed that the UMNO struggle would not stray from its course. UMNO as the biggest national Malay and Islamic party in the world, fights tolerantly and consistently to build up religion and the nation. "That is why UMNO does not need to be defensive about the new PAS tactic but rather it should continue fighting to make the party stronger so that it can maintain the truth and oppose the threat from a political enemy," he said.

One of the reasons was that the PAS earlier had had no opportunity to voice its stand because it had encountered many obstacles and much discouragement, especially from opposition parties.

For this purpose, Nik Aziz said, many lectures and dialogues would be held by the party with non-Muslims all over the country.

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CSO: 4213/324

Datuk Musa reminded his listeners that it was important for UMNO members to unite their forces to protect themselves against negative elements who might create an uproar and, wittingly or not, sow discord among the members.

He explained that it was important for the members to strengthen their faith and establish religion as the basis for the UMNO Party's and the government's struggle in this country. In this connection, also, Datuk Musa hoped UMNO members would not be afraid of the political enemy but would together seek a way to combat the threat from the enemy party in order to establish the truth. The UMNO, he said, is a political party that is open not only to Malays and Muslims, but its actions are above-board and laid bare before all the outside world.

He said UMNO members should not gloat too much when discussing victory. It could be used slanderously by those who wittingly would like to create disunity in this holy struggle.

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CSO: 4213/324

MALAYSIA

POST-NEP GOVERNMENT PROTECTION OF MALAYS ASSURED

Kuala Lumpur UTUSAN MALAYSIA in Malay 27 Jul 85 p 1

[Article: "Razaleigh Says Government Will Continue To Protect Malays After the NEP"]

[Text] Kota Baharu, 26 July--Tengku Razaleigh Hamza, Malaysian minister of trade and industry, affirmed that the government would continue its fight to improve the lot of Malays after the New Economic Policy (NEP) ends in 1990.

Speaking at the inauguration of the Kelantan State Branch Malaysian Malay Industry and Trade Council congress being held at a well-known hotel here today, he said the government was aware that Malays in this country had not yet been able to achieve the level of success in the economic field that they rightfully deserved.

For that reason, he added, the government must continue to assist Malays so that they are able to develop in a different way in Malay commercial and industrial fields when the NEP ends.

He said it was not a question of merely speaking sentimentally about this problem, but the truth is Malays will continue to obtain support in their own world.

Tengku Razaleigh urged the Malaysian Malay Industry and Trade Council to rise up as a strong council so that it would be able to encourage Malays to achieve great success.

"By developing such strength, the council will be able to advise the government on what even more practical steps should be taken to advance the bumiputera [indigenous people] economy before the NEP ends," he remarked.

He also suggested that the Malaysia Malay Industry and Trade Council offer incentives to new bumiputera entrepreneurs so that they would also be able to prosper during the NEP implementation period.

The Malaysia Malay Industry and Trade Council should be very proud of the success it achieved to date, but the dogged efforts made to improve the national economy should be further intensified. We should not just relax and dream about the success we have achieved to date.

Tengku Razaleigh informed his listeners that the government now had formulated an industrial nucleus plan policy which was to be launched soon to further expand the industrial sector. It was a step toward overcoming the problems always encountered during a world economic recession.

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CSO: 4213/324

MALAYSIA

GOVERNMENT'S DECISION NOT TO EXTEND NEP DISCUSSED

Selangor KIN KWOK DAILY NEWS in Chinese 14 Jul 85 p 2

[Commentary: "New Economic Policy Will Not Be Extended"]

[Text] Not long ago, while the New Economic Policy [NEP] was under review, most public commentators, particularly those who live off politics, indicated one after another that if it cannot achieve its hoped-for goal when the deadline comes around, the NEP is bound to be extended.

Of course, politicians who hold this view have not analyzed the objective circumstances and subjective factors, but merely wagged their tongues too freely to please a certain group for personal profit. Their words are not to be relied upon.

The other day, Deputy Prime Minister Musa Hitam, during an international group discussion, told foreign reporters that the government would not extend the NEP, because this policy cannot attain the desired 7 to 8 percent growth rate. The deputy prime minister was not trying to gloss over the government's decision. He said that government officials, including Prime Minister Dr Mahathir and himself, have been regularly discussing this matter, an indication that the government already has a well-thought-out plan.

When the NEP was first implemented in 1970, it was expected that within 20 years, that is to say, by the year 1990, the policy will achieve its objectives of eradicating poverty and restructuring society. We still have 5 years to go, but, in reviewing the past 15 years' record and observing the current political and economic conditions, it is absolutely impossible to achieve the desired objectives. If we wanted to cater to the whims of a certain bloc and force through an extension, this would be nothing but a worthless paper policy, which could evoke some countereffect or a vicious circle. Thus, doing something one knows is wrong would be an unwise move.

In all fairness, the intention of the NEP is good, which is to promote the nation's prosperity and to improve the livelihood of the people, especially those living in the rural areas, under the principle of poverty eradication and societal restructuring. However, due to certain provisions of the NEP and deviations in implementing the policy, we have an unsettling feeling of "plundering one person to help another," so that there is no way to distribute the nation's economic pie fairly among the people. Such uneven phenomenon occurs even within one and the same nationality, where the rich get richer and the poor get poorer.

This of course runs counter to the original intention of the New Economic Policy.

Naturally, it would be unfair to say that the NEP has achieved no result after 15 years' implementation. At least it has done something commendable in developing the countryside, such as supplying water and electricity, roads, schools and medical services. But all this is still far from the preset goal, as the basic livelihood of the people still falls far behind the rise in the price of commodities.

Nevertheless, although the NEP cannot achieve its desired objectives and is not to be extended, this does not mean that the government has abandoned its intention of eradicating poverty and restructuring society. It merely means that the government will adopt another way to achieve the same ends. As pointed out by Musa Hitam, the government will not extend the NEP, but will adopt other channels to ensure that this double-barreled policy will be pushed forward as usual.

We hope that in pursuing other methods, the government will not repeat the irregularities committed during execution of the NEP, but should, on the basis of national conditions, weigh, formulate and carry out the plans fairly for all nationalities, without playing favoritism. Malaysia's economic pie should be equally shared by all its citizens, irrespective of race. This should be the economic policy to be pursued by our country.

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CSO: 4205/34

MALAYSIA

UMNO YOUTH OFFICIAL CRITICIZES DAP'S IRRATIONALITY

Kuala Lumpur BERITA HARIAN in Malay 7 Aug 85 p 1

[Article: "DAP's Actions Are Becoming Increasingly Irrational"]

[Text] Kuala Lumpur, Tuesday [6 August]--The DAP [Democratic Action Party] leadership has been asked to dissolve the party because it is unable to think rationally any longer.

Dr Suleiman Mohamad, member of the executive committee of the Malaysian UMNO [United Malays National Organization] Youth Movement, said the thoughtlessness and arrogance of several of the party's leaders, particularly in raising certain issues, one after another, offers proof of their shallowness.

Dr Suleiman Mohamad, who also is the chairman of the Federal Region UMNO Youth Movement, said the time had come for DAP leaders to give up their futile struggle because that party has proved that it no longer is able to retain the confidence of the people.

Commenting on the DAP complaint that action be taken against Prime Minister Datuk Seri Dr Mahathir Mohamad because he drove the Proton Saga vehicle over the Pinang Island bridge without paying the vehicle tax and insurance, he said this question need not have been raised, rather the DAP should have supported the national vehicle project.

He said the DAP purposely made a big issue of this event merely to gain influence and throw dust into the people's eyes.

"This was 'childish,' and the DAP's complaint proves its leadership is becoming more and more irrational," he said.

The complaint was entered at the Jelutong Police Station by Mr Chew Seng Pah, the Pinang River Branch DAP board member. Mr Chew claimed the prime minister had violated traffic laws.

Mr Chew Hock Thye, general secretary of the MCA [Malaysian Chinese Association], said the issue should never have been raised because the prime minister drove the car as part of the ceremony to launch the national vehicle and inaugurate the bridge.

"The DAP, of course, has nothing else to do. It often dredges up trifling matters to show the public that it is the cock of the walk.

"They gained nothing by doing this, and it had no relation to the people's or national interests," he added.

Mr Chew also regarded the DAP's behavior as "childish" and felt it was aimed at gaining publicity.

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CSO: 4213/325

MALAYSIA

FORMATION OF UMNO BRANCHES IN EAST MALAYSIA DENIED

UMNO Branch Proposed Again

Kuala Lumpur BERITA HARIAN in Malay 15 Aug 85 p 1

[Text] Miri, Wednesday [14 August]--Tun Patinggi Haji Abdul Rahman Yaakub, the former governor of Sarawak, today denied he was involved in forming the proposed Sarawak United Movement Party (SAUM).

"Certain parties in Kuala Lumpur put out rumors that I would form this Iban political party. I am not involved in any way nor have I ever met with anyone on this issue," he said.

SAUM, he said, was inspired by an Iban professional group who came from the rural areas and professed that the proposed party would carry out programs which had not been carried out by the Sarawak Dayak Bansa Party (PBDS), the Sarawak National Party (SNAP), the United Bumiputera Heritage Party (PBB), and the Sarawak United People's Party (SUPP) for rural residents.

Sources said the party was planned to be formed next year prior to the general election.

Tun Patinggi Haji Abdul Rahman informed newsmen here that adding another political party in Sarawak would be of no help in settling political, economic or national problems.

Better unity among the people of this state would be established by reducing the number of political parties in the Sarawak National Front and by bumiputera [indigenous people] becoming members of the UMNO [United Malays National Organization].

"This is the only way to achieve long-term unity of the people," he said.

Tun Patinggi Haji Abdul Rahman said individual political parties for Melanau, Kayan or other ethnic groups should no longer be created.

Work Through the UMNO

The time had come, he said, for the UMNO to grow as the backbone of the National Front in Sabah and Sarawak.

He added that bumiputera could benefit by belonging to the UMNO because they would have representatives in that organization which ordinarily formulates national development policy.

The former state governor was convinced that bumiputera would welcome the formation of a UMNO branch here.

He said he had discussed this matter with several former UMNO leaders such as Tunku Abdul Rahman, the deceased Tun Abdul Razak, and Datuk Senu Abdul Rahman, each of whom concurred with this proposal.

Nevertheless, in the 1960's the SNAP and the Pesaka Party, did not agree with the proposal because they feared his (Tun Patinggi Haji Abdul Rahman) position would become stronger.--BERNAMA

No Sabah, Sarawak Branches

Kuala Lumpur UTUSAN MALAYSIA IN Malay 16 Aug 85 p 2

[Text] Kuala Lumpur, 15 August--Datuk Sri Sanusi Junid, UMNO general secretary, today again stressed that the party was not planning to form branches in Sabah and Sarawak.

He also explained that the UMNO had never discussed this matter with anyone in these states.

"The UMNO has decided not to open branches in Sabah and Sarawak. We are convinced that unity of the people in these two states can be achieved with the qualifications and the resources of our UMNO partners in the National Front (BN)," he said.

In a meeting with UTUSAN MALAYSIA in his office here this morning, Datuk Sri Sanusi, who is also minister of national and rural development, said at this time the UMNO was not thinking about opening any branches there.

"At this time there is no reason or need to form UMNO branches in those states," he clarified.

Last night, Tun Datuk Patinggi Haji Abdul Rahman Yaakub, the former governor of Sarawak, said the time had come for UMNO to develop in Sabah and Sarawak to further improve people's unity in the two states.

He had added that this was the only way to achieve long-term unity of the people and that bumiputera would welcome the formation of UMNO branches in these states.

With regard to people's unity, Datuk Sri Sanusi explained that those who wanted unity and had confidence in the UMNO's capability to achieve that goal preferred to support component parties in the National Front.

Asked at what stage the UMNO had definitely decided against opening branches in Sabah and Sarawak, Datuk Sri Sanusi replied, "In making this decision, the UMNO looked at the situation and studied the long-term implications of any step that could be taken. Therefore, today the UMNO feels it is not necessary to consider establishing branches there."

It should be stated that early in May, Mr Abdul Ghafar Baba, UMNO vice president, who is also the general secretary of the National Front, informed us that the UMNO was not interested in developing wings in the two states, including in Labuan.

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CSO: 4213/325

MALAYSIA

MCA URGED TO CONSIDER LEAVING NATIONAL FRONT TEMPORARILY

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 16 Jul 85 p 24

[Editorial: "Face Squarely the Problem of Leaving the National Front Temporarily"]

[Text] On the 14th of this month, Malacca Chief Minister Datuk Sri Abdul Rahim proposed that the Malaysian Chinese Association [MCA] leave the National Front temporarily until it resolves its partisan war, on the grounds that the MCA crisis has affected the National Front's interest and the nation's unity.

On the same day, MCA general secretary Datuk Dr Tan Tiong Hong openly admitted that since the protracted infighting has aroused Chinese society's dissatisfaction toward the MCA, it may lead to the party's defeat in the coming general elections.

Datuk Tan's talk not only correctly revealed the true reaction of Chinese society toward MCA's factional fighting, but also confirmed the remarks of Malacca's chief minister and former National Front leader, that is, that MCA's infighting has adversely affected the front and the nation. It is indeed a tragedy that the MCA has admitted, by its own word and deed, its mistakes and the chances of their leading to serious consequences.

Pending the final decision of the National Front's Supreme Council, and while Gafar Baba--in his capacity of National Front secretary general and chairman of the MCA Crisis Ad Hoc Committee--is still striving to aid the two factions in dispute to implement the compromise solution reached before the Supreme Court last 10 May, we believe that it is improper for leaders of member parties of the National Front to make individual comments urging the MCA to leave the coalition temporarily. No matter how deplorable the MCA crisis has become, the efforts of the National Front secretary general deserves our praise, regardless of our angles of view. Consequently, we should continue to encourage Gafar Baba to intercede in the MCA infighting and strive for the unity of all National Front member parties.

In all fairness, the grumbling of National Front leaders against the MCA is understandable, because the bickering cliques willfully reneged on the joint agreement they had signed in January this year in the presence of the prime minister. Such feign compliance and virtual loss of reason is inexcusable.

Judging by a series of public opinions and comments made by Chinese society members and National Front leaders in the past, it is the common wish of one and all that the MCA crisis be satisfactorily resolved. On 10 May this year, both factions did reach a compromise before the Supreme Court and agree to set up an Ad Hoc Committee to be headed by Gafar Baba, National Front's secretary general to resolve the infighting. Both cliques should wake up now and sincerely implement their compromise agreement.

The suggestion of Malacca's chief minister, made in the wake of the deputy prime minister's, for the MCA to withdraw from the National Front temporarily deserves the attention of the cliques concerned, because, to a great extent, this reflects the viewpoint of the leadership of the United Malays National Organization [UMNO]. With the approach of the general elections, it is believed that such viewpoint will gain wider and wider support of UMNO members.

The important thing is that we have been forewarned by Deputy Prime Minister Musa Hitam. If the MCA wishes to engage in double-dealing, ignore the realities, pretend politeness and compliance, and let the dangers of its infighting glide down the precipice, then the possibility of the party being expelled from the National Front does exist. It is now high time for both factions of the MCA to make a cool, earnest consideration.

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CSO: 4205/34

MALAYSIA

MAHATHIR WARNS CHINESE OF MUSLIM CONVERT AGITATION

Kuala Lumpur BERITA HARIAN in Malay 7 Aug 85 p 2

[Article: "PM Says, Don't Be Too Ready To Believe Chinese Converts"]

[Text] Bukit Mertajam, Tuesday [6 August]--Datuk Seri Dr Mahathir Mohamad cautioned the Chinese public not to be readily influenced by Chinese converts who were being exploited by a certain party to incite them to hate the government and the UMNO [United Malays National Organization].

These Muslim converts, he said, roam around to various places attempting to incite Chinese to hate the government, especially UMNO.

"Using people who only recently have accepted Islam for party purposes is abominable," said the prime minister at an assembly of more than 12,000 members of the National Front's Youth and Women's Movement Party, held at the Guar Perahu Nationalism School in Padang near here today.

"The party in this way hopes it can influence Chinese in Malaysia to support their futile struggle.

"Nevertheless, we are keeping an eye on these converts. They will not be able to escape the law if their actions disrupt ethnic unity," he said.

Datuk Seri Dr Mahathir, who is also president of UMNO, said it was only by exploiting the converts that this party could hope to destroy the strong unity that exists among members of various ethnic groups.

In this regard, the prime minister reminded his listeners of the importance of good relations between leaders and the people for ensuring the future of the country.

Therefore, he cautioned leaders to keep in close touch with the people at all times.

"Leaders should focus on the people rather than their own interests. Such leaders are held in high esteem. They should not wait until the general election is upon them before they begin to think about their districts and people. It is then too late.

"A selfish leader will not be accepted by the people. He will have to resign. A resignation offered voluntarily garners more respect than one which is forced upon an individual.

"I also will resign when the people no longer want my services," the prime minister said.

He was pleased to see the strong unity among ethnic groups in this country although some people were trying to destroy it.

"We are ready to gather together and cooperate with all ethnic groups in an assembly. In other countries this would be feared and often would end in enmity between ethnic groups and outward displays of bad feeling. However, such undesirable incidents do not occur in our country," he added.

The prime minister also drew the people's attention to the disunity that existed among Muslims in the Middle East, causing constant tumult.

Also attending the assembly were Datin Seri Dr Siti Hasmah, minister of agriculture, who is also chairman of the Malaysian UMNO Youth Movement, Mr Anwar Ibrahim, minister of education, Datuk Abdullah Haji Ahmad Badawi, chief minister, Dr Lim Chong Eu, and Dr Goh Cheng Teik, deputy minister of agriculture.

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CSO: 4213/325

MALAYSIA

MAHATHIR URGES BUMIPUTERA TO ADOPT BETTER WORK ETHIC

Kuala Lumpur BERITA HARIAN in Malay 15 Aug 85 p 1

[Article by Nordin Mohamad: "Bumiputera-Established Industries Change Hands; Opportunities Lost Because They Are Poor Businessmen"]

[Text] Kuala Terengganu, Wednesday [14 August]--Prime Minister Datuk Seri Dr Mahathir Mohamad regreted that a number of enterprises originally operated by bumiputera [indigenous people] were now headed by "other people" and had also made these people wealthy.

This happened, he said, because bumiputera failed to renovate the companies and seize opportunities that would make their dreams come true.

"If we just wait with our hands in our pockets for something to happen, wealth will not fly into the door. In the end, we are the ones who are hurt," he stressed to some 10,000 persons participating in a meeting inaugurating the Terengganu State Development 10-Year Exposition being held in Padang Hiliran here this afternoon.

Datuk Seri Dr Mahathir said, "I regret that companies originally established by bumiputera, such as sate [skewered cabobs] businesses, became profitable when others began to operate them efficiently."

In this case, the prime minister said, bumiputera cannot blame anyone else but themselves.

He said the kain songket [cloth shot with gold or silver thread] business is also one that must be altered from supplementary to full-time operation by using modern equipment.

In this way, he added, kain songket production will be raised, profits will increase, and we can lower the market price so that everyone is able to buy this cloth.

At present, he said, a well-known kain songket company in Terengganu makes this cloth as a supplementary operation.

"When we have time, we make it. It takes a month to weave a length of kain songket," he said.

Datuk Seri Dr Mahathir wanted bumiputera small businessmen to change their attitude toward work and employ a better production system. This includes working a full day, having better work discipline, using a full-time staff, stressing quality, and using modern equipment.

"Good things do not happen without effort. Oil would not have flowed up by itself from the sea floor if we had not explored for it and drilled for it."

The Right Terms

"If we did not know how to manage oil production, others would have reaped the profits. However, because we tried and levied the right terms for its management, we were able to enjoy the profits from the oil companies," he remarked.

The prime minister stressed that the Terengganu people must courageously seize opportunities that arise in the oil company field and in companies that produce related products.

"Therefore, we should equip ourselves with scientific knowledge and change our attitude toward work to become more prosperous," he remarked.

Datuk Seri Dr Mahathir criticized those who questioned why oil found in Terengganu waters had not been turned over to public companies.

To date, the prime minister said, the central government and oil corporations, including the Petronas [National Petroleum Company], had invested M\$4 billion in oil enterprises in Terengganu.

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CSO: 4213/325

MALAYSIA

COMMENTARY CRITICIZES JENKINS BILL, TARIFFS

BK241236 Kuala Lumpur International Service in English 0800 GMT 24 Sep 85

/Unattributed Commentary/

/Text/ The progress of the Jenkins Bill has been watched very closely by the ASEAN member states. This is the draft of a law which--if passed through all stages and if signed by the U.S. president, Mr Ronald Reagan--will result in the imposition of sweeping curbs on textiles imported from a number of countries.

Malaysia may not be directly affected for the time being, but Malaysia has always stood up for any important principle in international relations as much as in international trade.

The Jenkins Bill, named after the main proponent, Congressman Jenkins, has been approved by a congressional subcommittee. The final touches at that subcommittee stage were completed last Friday. The next step will be consideration of the draft bill by the full committee. In all probability, that will be a mere formality. Between now and a much later date, when the law will be put to the vote to the House of Representatives, several Asian-Pacific nations will probably be engaged in vigorous lobbying in a desperate attempt to persuade the legislators concerned to cease and desist from proceeding with the law.

ASEAN is monitoring the developments very closely, and it realizes that sooner or later its textile industries will be adversely affected. The indignation and frustration of Asian textile manufacturers and exporters are quite understandable. They have upheld a principle of private enterprise and have managed to penetrate the U.S. market through hard work and competition. Now it looks as though the powerful textile lobbies in the United States have managed to apply pressure on the lawmaking bodies to impose high tariff walls to block the entry of textiles from the Asia-Pacific region.

Basically, the American consumer will be paying more for textiles manufactured in his own country. That will reduce cumulatively the purchasing power at his disposal for the consumption of other goods and services. This is a very elementary explanation of the way tariffs interfere with freedom of choice of the individual, a topic about which the Americans like to think they know better.

Asian textile industries are doubtless labor intensive. But by that very fact the livelihood that many thousands, if not hundreds of thousands, and their families will be affected by the proposed law. A few congressmen may be able to reap some short-term political advantages, but in the long-term it may work against the American interest. After all, the steady economic growth that has been taking place in a number of countries on the Pacific rim can mean greater opportunities for the United States to export sophisticated items that its industries can produce. It is really a case of allowing nations to concentrate on producing those items they can bring out more cheaply than some other nations can.

The 14 Asian countries, including ASEAN members, that are concerned about the Jenkins Bill are the very nations that are outstanding examples of free enterprise and high achievement. Malaysia will stand by them, and it will strive to find an equitable solution to this problem.

CSO: 4200/1586

MALAYSIA

SAVINGS FUND TO HELP PRIVATE INVESTORS FORMED

Kuala Lumpur UTUSAN MALAYSIA in Malay 20 Jul 85 p 1

[Article: "M\$1 Billion Savings Fund Formed for Private Investment"]

[Text] Kuala Lumpur, 19 July--The government today announced the formation of a new investment savings fund of M\$1 billion to be used for productive purposes.

This fund is also to serve private investors in the manufacturing, agriculture and tourism sectors.

Finance Minister Mr Dail Zainuddin, who announced the formation of this savings fund, said the interest rate for these loans conformed to the law and was based on the basic rate for loans. The loans will be funneled to commercial banks through the National Bank.

Further details on this fund will be announced in the near future.

"With the formation of this fund, I hope the private sector will refrain from complaining that it has not been provided with sufficient funds for investment purposes," he said.

Mr Daim was speaking at the inauguration of the United Asian Bank (UAB) Tower on Tun Perak Street here this afternoon.

He explained that the formation of the new savings fund again proved that the government was trying hard to strengthen the national economic base so that it could develop more rapidly and in a more stable fashion.

"I hope there will be no further questions about the government's resolve or the resources of the banking system for providing assistance in the creation of an efficient and strong economy.

"The controls which we are instituting to create a strong and good banking system will make it more sound than ever," he remarked.

Nevertheless, the finance minister reminded those responsible for managing banks to provide trustworthy services. Bank managers were also responsible for ensuring that their employees did the same.

He called attention to the fact that there was nothing wrong with the Malaysian banking system itself but those managing the banks could sully or strip the banking system of its good reputation.±

"The government will not think twice about arresting anyone who abuses the banking system because our primary objectives are the security of the depositors, the public interest, stability as well as the soundness of the national financial system," he explained.

Concerning the discouraging problems faced by banks at present, he recommended that banks modernize and become more innovative in the face of rapid development.

The government, he said, had offered various incentives to banks such as giving its approval to equity participation by financial institutions in joint capital formation and in brokerage companies and exempting imported computer equipment from import duties to enable banks to provide more efficient service.

6804

CSO: 4213/324

MALAYSIA

COMMENTARY VIEWS 'TRADE AS BASIS OF DIPLOMACY'

Selangor KIN KWOK DAILY NEWS in Chinese 1 Jul 85 p 2

[Commentary]

[Text] Foreign Minister Tengku Rithauddeen announced the other day that from now on our foreign policy will be based on trade and economics, but not on politics. The shift of emphasis is for the purpose of cementing our trade connections with foreign countries and attaining the objective of reciprocity and mutual benefit.

We have been pursuing a nonaligned foreign policy since the founding of our nation, neutral and independent from the two extreme Eastern and Western blocs. That is why our foreign policy line has won the respect of nonaligned and other countries alike during the past 30 years. Although at first our nonaligned foreign policy was viewed with suspicion by certain countries, it has turned out that we have withstood the test of time well and regained the respect of these countries.

Now that the situation has changed, many countries are facing economic difficulties and struggling for survival. To adapt themselves to world trade conditions, these countries have made certain changes to find a way out in order to tide over strong economic competition and carry on with their development peacefully.

We have always maintained that such a small country as ours should pay attention to trade and economic development. We are not interested in any schools of thought or doctrines. What we are most interested in is how our country can grasp more trade, earn more foreign exchange, consolidate our national economy to facilitate development and let the people live peaceful and affluent lives. These are the most important things.

Our country has a tiny area, with a population of only 14 million. No matter how smart we are, we cannot afford to quarrel about political theories with others. The most we can do is to become banner-waving pawns or victims of countries which are involved in political quarrels. This would be a serious loss for small countries like ours.

Nevertheless, on the strength of the industriousness of our people and abundant natural resources, we have sufficient qualifications to compete with other countries in trade. As long as we can earn money and get trading benefits, we are willing to do business with any country, regardless of its political line, because we are doing business, not talking about politics or any doctrines.

While our country is facing economic difficulties and other advanced nations are adopting protectionism and erecting tariff barriers one after another, we must all the more pursue a "talk business, no politics" strategy, otherwise our economic activities would be restricted by politics. With our hands and feet bound together, we simply cannot give full rein to our trade potential or open up wider markets. This would be the deathblow to our economy.

But our national leaders every now and then review our domestic and foreign policies to be corrected and implemented. Therefore our foreign policy changes in line with the reexamination of the international situation and the problems being faced by us. This is worthy of our encouragement.

Henceforth, our foreign policy will be based on trade and economics, with emphasis on reciprocity and mutual benefit for the countries concerned. This does not mean that we are relinquishing our neutral foreign policy. We are still a nonaligned country, strictly adopting a neutral foreign policy. Consequently, politics and trade should not be mixed up, and our stand in foreign affairs should not be placed in doubt.

9300

CSO: 4205/34

MALAYSIA

DEATH PENALTY FOR AUSTRALIAN DRUG OFFENDERS UPHOLD

Kuala Lumpur UTUSAN MALAYSIA in Malay 5 Aug 85 p 8

[Editorial: "Respect the Law"]

[Text] Malaysia will not compromise in its efforts to fight drug abuse. In all forums now, whether within or outside the country, we have maintained our views on this matter and have explained why we must hand down sentences which are considered too severe by people abroad. These sentences include the death penalty mandated for certain crimes connected with drug abuse.

The law established by our Parliament on this matter, while found unacceptable by other countries, covers those who commit crimes in this country whether those found guilty are native Malaysians or aliens residing in this country.

So that we will not be accused of providing insufficient information about the severe drug law, we have done everything in our power to remind visitors and tourists from abroad about the regulations in effect on drug abuse.

Posters concerning the death penalty mandated for certain crimes relating to the distribution, holding or importing of drugs are found at every port of entry to Malaysia. Airline companies serving this country also provide the same reminders. Therefore, any alien who comes to Malaysia cannot say he was unaware of or knew nothing about this severe law.

And they should also know that we strictly carry out this law. So, in this context, the Pinang Supreme Court levied the death sentence on two Australians after they were found guilty of distributing heroin.

We never suspected that this court decision would create problems in relations between Malaysia and Australia. Although certain parties in that country, including the mass media and relatives of the two men involved, campaigned to get Australia to intervene in this matter, we believe the Australian authorities will not bow to the sentiments of those who are opposing the sentence handed down by the Pinang Supreme Court.

A spokesman for the Australian foreign minister was reported as saying that "we do not feel it right for us to interfere in Malaysia's legal system just as we would not like them to interfere in ours."

The Australian people, rather the people of other countries, should also take this attitude. If they want us to respect their laws, they also must respect ours.

THAILAND

'MINIMAL' CABINET SHIFT PREM'S 'CONSOLIDATION'

BK220334 Bangkok THE NATION in English 22 Sep 85 p 9

[Excerpts] The Government this week moved swiftly to defuse the tension in the aftermath of the September 9 abortive coup which has so far implicated at least 40 persons. The "house must be put in order" before Prime Minister Gen Prem Tinsulanon leaves Tuesday on a two-week official tour of the United States and Europe.

As against some speculations that the premier would make use of the opportunity to effect a sweeping Cabinet reshuffle to offer "new hopes" to the public and defuse long-standing pressure from the Social Action Party, Gen Prem opted for a minimal Cabinet change designed to fill the top posts vacated at the Industry Ministry as a result of the resignation [of Industry Minister Op Wasurat and Deputy Ministers Prayot Nuangchamrong and Wong Phonnikon].

Some political scientists have contended that the abortive coup has sent repercussions on the public sentiments in connection with the economic hardships and urged that the government effect a Cabinet reshuffle to give the people a hope for a better life. Others discredited the theory, though they admitted that the public sentiments over the present economic hardships are real.

Gen Prem probably opted for the second approach given his decision to effect only a minimal Cabinet change. He also reportedly planned to give a speech on the economic problems facing the country in a television appearance Monday night on the eve of his departure for the U.S. and Europe. It's a clear gesture of political consolidation for Gen Prem.

CSO: 4200/1575

THAILAND

THIANCHAI SAID SLATED TO BE DEPUTY MINISTER

BK220304 Bangkok THE NATION in English 22 Sep 85 p 1

[Text] Democrat and Social Action Parties are in favour of a proposal to name Deputy Army Commander-in-Chief Gen Thianchai Sirisamphan deputy defence minister after his retirement at the end of this month, informed sources told THE NATION yesterday.

An informed source also said that Prime Minister Prem Tinsulanon had agreed to "reserve" Gen Thianchai's name for a possible list of additional Cabinet appointments.

The sources dismissed the possibility that Gen Thianchai would be named to another Cabinet portfolio. "Barring unforeseen changes, he will take over as deputy defence minister after his retirement," one source said.

Gen Thianchai's possible appointment to the defence Cabinet portfolio is taken as a "reward" for his role in leading the government forces to crush the September 9 abortive coup aimed at ousting Gen Prem Tinsulanon from power.

Gen Thianchai had earlier said that he did not plan to enter the political arena after his retirement. He also dismissed speculation that his term in the military service would be extended as a reward for his contributions to the crushing of the coup.

CSO: 4200/1575

THAILAND

PAPERS CARRY EDITORIALS ON 9 SEPTEMBER COUP

BK120707 [Editorial Report] The BANGKOK POST 11 September editorial, on page 4, entitled: "Coups Inquiry Must Be Fast and Fair," says: "When the prime minister called for national unity he was speaking from the heart because he knows that the only way we are going to solve our problems is by concerted and united action. This applies to economic problems just as much as it does to all the other headaches involved in keeping a rapidly developing country on the right track."

The editorial notes: "The government could have avoided much of the bitter criticism directed at it by people who have no wish to tighten their belts by making more use of the media and its own information outlets."

The editorial continues: "The coup attempt has also been a setback in that it has rocked our confidence in things that we have come to take for granted. We believed that coups had become a thing of the past after the April Fool's Day affair in 1981 backfired on its participants. Ten hours of madness on Monday showed that this is not the case and that this unfortunate legacy that has been handed down from generation to generation since 1932 is still with us."

In conclusion the editorial says: "We must put the coup attempt behind us quickly and get on with the task of national development. There must be no procrastination on the part of those given the responsibility of investigating the coup makers." "There is simply too much work to be done in getting the economy and other national affairs back in shape."

THE NATION 11 September editorial, on page 4, entitled: "Lessons To Be Learned From the Abortive Coup," says: "Decades ago cynics used to call Thailand 'a one city country,' meaning that any military group that takes over Bangkok takes over the whole country. This was conclusively proved wrong during the 'April Fool Coup' of 1981. Another statement is that the military can take over Thailand at any time. This is totally idiotic since, if the military wants to, it can take over any country at any time whether it be the United States or the Soviet Union--but the point is that nobody can hold power for a long time without the consent of the people."

The editorial continues: "The coup attempt is over. The country is back to normal. Vengeance is not in Thai tradition. But the truth must come out."

A committee of inquiry has already been set up." "The question is not revenge or punishment for which there are due processes of law. The primary job of such a commission should be to establish the identity of the real plotters and those who supported them either overtly or from behind the scenes."

The editorial concludes by saying: "But there still may be megalomaniacs chasing the rainbows and they may be able to secure a modicum of military following and upset the rhythm of the political structure if only for a few hours. Such persons can do a lot of harm to the prestige of the country and throw the economy of the country out of kilter for a much longer period. This must be prevented by preventing the surfacing of those who still harbour hallucinations of becoming the dictator of Thailand."

CSO: 4200/1575

THAILAND

SRV SAID TO BE GEARING UP FOR OFFENSIVE

BK220246 Bangkok THE NATION in English 22 Sep 85 p 3

[Text] Vietnamese forces have moved about two battalions of troops and a large number of tanks from Sisophon closer to the Thai-Kampuchean border in anticipation of the forthcoming dry season offensive, Bunnak Saisawang, governor of Chanthaburi said yesterday.

Bunnak said that the Vietnamese also have moved about 17 tanks to Pailin District, which is 8-9 kilometres from Chanthaburi province. He also added that a contingent of Vietnamese forces is also in areas close to Ban Cham Rat, in Trat province.

He said the Vietnamese preparation is a clear sign that there will be fierce fighting between them and Khmer resistance freedom fighters at the end of this year, when the annual Vietnamese dry season offensive begins.

Thai authorities, he added, have held discussions with international relief agencies such as International Red Cross on ways to ensure that Thai villagers living in the area will not be affected when the Vietnamese attack the resistance forces close to the Thai border.

CSO: 4200/1575

THAILAND

COUP FOILER DENIES TERM TO BE EXTENDED

BK190329 Bangkok THE NATION in English 19 Sep 85 p 1

[Text] Deputy Army Commander-in-Chief Gen Thianchai Sirisanphan who led the loyalist forces in crushing the abortive coup last week yesterday quashed speculations that his military term will be extended for another year.

Gen Thianchai who is due to retire at the end of this month said that he did not intend to enter politics following his retirement.

Speaking with reporters at the Army Club, the deputy army chief said that people who are in the position to propose an extension of his term had never mentioned the possibility with him.

"The speculations all started in the Press," he said.

However, Gen Thianchai admitted that some political parties had approached him to join them after his retirement.

"But I did not take the matter seriously during the talks," he added.

Gen Thianchai has also been speculated to be appointed a Cabinet member in the upcoming reshuffle that has been necessitated by the resignation of Industry Minister Op Wasurat and his two deputies.

Informed sources said that the proposal to "reward" Gen Thianchai with either the extension or the appointment to the Cabinet was floated by the Social Action Party (SAP).

CSO: 4200/1575

THAILAND

ARMY OFFICIAL SAYS 'COMMUNIST' LEADER ARRESTED

BK220354 Bangkok THE NATION in English 22 Sep 85 p 3

[Text] A southern communist leader was arrested early this week while he and three other communists were on their way back to their stronghold in Nakhon Si Thammarat from Bangkok, a senior army official told THE NATION yesterday.

Fourth Army Region Chief-of-Staff Maj Gen Thamnu Putphat said the arrest of Wirot Chongchit, alias Comrade Damrong, dealt a significant blow to the Communist Party of Thailand (CPT) whose influence is stronger in the South than any other region.

Wirot's last post in the CPT was as a member of the communist force in Nakhon Si Thammarat, Maj Gen Thamnu said.

The army officer said that Wirot had built up influence in the southern province for a long time. He had been wanted for a number of serious criminal charges.

Wirot and the other three communists were nabbed near a check point at Kuan Kho Village in Tambon Thamphanra of Chawang District, Nakhon Si Thammarat. They were returning from a funeral for a Mr Chop Daengnonghin held at Wat Lak Si in Bang Khen, Bangkok.

Chop was a relative of Prapat Muaidi, one of the four men caught.

The other two captives are Iaum Khamnuhin, alias Comrade Phiphat, 48, and Sathit Krainara, 45.

Wirot, 45, joined the outlawed party in 1963 and Iaum joined the party in 1972. Iaum's last post in the CPT was as chief of a special operation zone of the CPT. The zone, codenamed Phiphat Zone or Zone 523, is under the control of Zone 514.

Maj Gen Thamnu said that about 400 armed communist insurgents in the South had not reported to the authorities. But not all are loyal to the Communist Party. Most are in fact against dictatorial rule and foreign interference in domestic affairs, the chief-of-staff said.

He said that some of them have become bandits and were not under the guidance of the outlawed party. The CPT is in a desperate position in terms of military strength and political reputation.

THAILAND

WARRANTS ISSUED FOR COUP SUSPECTS; MORE ARRESTS PLANNED

40 Warrants Issued

BK210213 Bangkok THE NATION in English 21 Sep 85 pp 1, 2

[Text] The number of arrest warrants issued against suspects in the Sept 9 abortive coup has risen from 34 to 40. So far, 28 have been taken into custody while 12 others have eluded the police dragnet, according to the national police chief.

Police Director General, Police Gen Narong Mahanond, disclosed yesterday after a meeting with four members of the police investigation committee that the probe into the suspects was proceeding as speedily as possible.

Deputy Metropolitan Police Commissioner, Police Maj Gen Sawaeng Thirasawat, said that police had obtained official permission to temporarily turn the area at the First Sub-Division of the Police Special Branch where leading retired generals are being detained under sedition charges for their alleged role in the abortive coup into "prison area."

With the official approval having been granted, the suspects' detention period could be extended without having to escort them to court, police said.

The police investigators huddled last evening to discuss the arrest of a person, believed to be an academician who has a PhD degree, who drafted the various announcements for the "Revolutionary Party" broadcast over radio on Sept 9.

Police refused to identify the academician except to say that he was not the same person who has been widely named within certain circles.

Special Branch Commander Pol Maj Gen Kasem Saengmit said yesterday that police were hunting for a fugitive civilian who was allegedly involved in the Sept 9 aborted coup.

Refusing to name the suspect, he said the civilian made a speech to a crowd with labour leader Prathin Thamrongchoi at the Royal Plaza on the day of the coup.

"I would rather not disclose his name, otherwise he will escape," he said.

Asked if further interrogation will be needed for one of the arrested suspects, Deputy Supreme Commander ACM [Air Chief Marshal] Arun Phromthep, Pol Maj Gen Kasem said it depended on the chairman of the investigation committee.

ACM Arun was moved from a detention centre of the Special Branch Division to be in custody of the military. The Special Branch commander pointed out that the authorities were empowered to detain a suspect for the maximum of 84 days with a requirement of seeking permission from the court every seven days.

Police will on Monday seek court permission to extend the detention period for the three retired generals at the Special Branch area--former Prime Minister Gen Kraingsak Chamanan, former Supreme Commander Gen Soem na Nakhon and former Deputy Supreme Commander ACM Krasae Intharat, according to Police Maj Gen Sawaeng.

Under the law, investigators are entitled to seek extension of the detention up to 84 days, or seven extensions for 12 days each time.

The investigations and submission of the matter to the public prosecutors must be completed before then.

Police Planning More Arrests

BK220306 Bangkok THE NATION in English 22 Sep 85 pp 1, 2

[Text] Police plan to arrest more coup suspects tomorrow in a series of swoops that has so far put 28 persons behind bars on sedition charges in connection with the September 9 abortive coup, informed police sources said yesterday.

The sources said that the Special Branch Division is mapping out plans for the additional arrests.

Some of the coup suspects to be arrested tomorrow are academic and "none of them are men in uniform," the source said.

One source said that one of the suspects to be arrested is a lecturer at Kasetsart University where fugitive coup leader Col Manun Rupkhachon once pursued his post-graduate degree.

The sources refused to identify the suspects who face the new crack-down. They also declined to give the exact number of coup suspects to be arrested tomorrow, but said they will be detained at Sub-Division Two of the Special Branch Division.

Police Director General Pol Gen Narong Mahanond said Friday that 40 arrest warrants had been issued in connection with the short-lived coup and 12 of them were still at large.

At Sub-Division One of the Special Branch Division, several retired army officers yesterday visited the three military officers detained in connection with the coup attempt.

The three detainees--former Prime Minister Gen Kriangsak Chamanan, former Supreme Commander Gen Soem na Nakhon and former Deputy Supreme Commander ACM [Air Chief Marshal] Krasae Intharat--were taken into custody last Monday.

The visitors included Col Prachak Sawangchit, who was dismissed from the military for his involvement in the April 1-3, 1981, abortive coup, former Chairman of the Board of Directors of the Express Transportation Organization Maj Gen Sutsai Hatsadin and Gen Phon Thanaphum, who was secretary general to the prime minister when Gen Kriangsak was in power.

Col Prachak told reporters that he was absolutely confident that the three military officers would be acquitted.

"I am 100 per cent confident because they are innocent," he said.

Maj Gen Sutsai said that the three detainees appeared healthy, though ACM Krasae had lost some weight because he suffers from high blood pressure.

CSO: 4200/1575

THAILAND

MINISTRY ISSUES REPORT ON BANGLADESH FISHERMEN

BK210151 Bangkok THE NATION in English 21 Sep 85 p 5

[Text] The Foreign Ministry yesterday dismissed reports that Bangladeshi fishermen were tossed overboard or abducted by Thai trawler skippers as a "groundless accusation."

The ministry said in a statement that if there is any evidence which can substantiate the claim that some Bangladeshi fishermen were thrown into the sea, the Thai Government is ready to investigate the affairs and will immediately punish those who were responsible.

The response came after the Bangladeshi press reported that about 140 Bangladeshi fishermen, shanghaied by Thai skippers, received bad and hostile treatment from the Thais.

Concerning the abduction of the 140 Bangladeshi fishermen, the ministry denied that there was any such incident involving any use of force.

The statement said that the 100 Thai crewmen on board did not possess any weapons so it was not possible for them to have abducted or thrown the Bangladeshi crewmen into the sea.

"But, on the contrary, it is rather normal to have Bangladeshi fishermen staying on Thai trawlers with the aim of travelling to Thailand for leisure after long arduous working at sea," it added.

Responding to the reports that Bangladeshi fishermen were treated like "dogs" during their three-week stay in Thailand, the statement said that there were no petition or any complaint filed by Bangladeshi crewmen concerning their living conditions.

The ministry also pointed out that during their stay in Thailand the crewmen had received considerable good treatment such as their accommodations, which were equipped with TV and video and included water and electricity. They also received their usual allowance during their stay in Thailand, which was witnessed by the Bangladeshi Embassy official based here, the ministry said.

The statement said that the Thai side had tried to send back the Bangladeshi crewmen without any further delay with the Thai trawler's owner paying for all the travelling expenses. "It is obvious that the Thai trawler company was no way trying to withhold or abduct the Bangladeshi crewmen as accused by the Bangladeshi side," the statement said.

The incident occurred in early September when seven Thai fishing trawlers fled Bangladeshi waters with 140 Bangladeshi crewmen in retaliation for the detention of a Thai ship by Bangladeshi authorities last few months.

CSO: 4200/1575

THAILAND

BRIEFS

MORTALITY RATE DROPS--Thailand's mortality rate has dropped from 13 per 1,000 to eight per 1,000 in the past 15 years, according to a report from the Institute of Population and Social Research of Mahidon University. The report said the average life expectancy for Thais has climbed to 65 for females and 61 for males from 63 for females and 59 for males in 1975. It said women lived longer because they smoke and drink less and perform jobs with less risk. The report attributed the decrease in infant mortality to the progress of mother and child care programmes under the Public Health Ministry. [Text] [Bangkok THE NATION in English 23 Sep 85 p 3 BK]

RICE EXPORTS--Thailand exported a total of 3,134,479.05 tons of rice from January to September 17 this year, the Agricultural Product Price Stabilisation Centre said. Of this, a total of 850,156.8 tons was exported by the Government and the remaining 2,284,322.24 tons shipped out by private firms. [Text] [Bangkok BANGKOK POST in English 23 Sep 85 p 19 BK]

CSO: 4200/1575

MILITARY AFFAIRS AND PUBLIC SECURITY

GEN LE TRONG TAN ADDRESSES ARMY FINANCIAL MEETING

BK241032 Hanoi Domestic Service in Vietnamese 2330 GMT 23 Sep 85

/Text/ The third conference of good financial management units in the entire army for the 1981-84 period was held by the Ministry of National Defense on 20 September. Attending were the commanding and financial cadres of the various military regions, army corps, armed branches and services, learning institutes, schools, and units recognized as good financial management components.

Senior General Le Trong Tan, member of the party Central Committee, vice defense minister, and chief of the General Staff; and Lt Gen Bui Phung, member of the party Central Committee and vice defense minister, were also present.

Over the past 4 years, under the Defense Ministry's leadership, units in the entire Armed Forces have made very great efforts in exploiting, calculating, and comprehensively balancing the four sources of income, thereby constantly increasing their revenue, especially the revenue generated by their own efforts, and creating conditions for covering part of their expense. In 1984, the internal sources of revenue of army units accounted for 19.5 percent of the national defense budget. Units exploited their manpower to produce materials, achieving a volume of construction work worth more than twice the amount of money supplied by the state. Owing to this, many units managed to provide more than 90 percent of their soldiers with well-built living quarters. In some units, sturdy garages and warehouses were built to provide shelter for vehicles, artillery pieces, and supplies; the maintenance and protection of weapons and technical equipment were gradually regularized. Various units promoted import-export activities step by step and provided services aimed at earning foreign currency. Defense industrial production establishments and army units specializing in economic work stepped up production, increased their accumulation of capital, and contributed an increasingly larger part of their profits to the state budget. The food production and self-sufficiency movement in all units was strongly pushed forward, thereby contributing to improving the soldiers' standard of living and helping cover part of official expenses. Over the past 4 years, army units have produced for their own consumption an amount of food equivalent to hundreds of thousands of metric tons of rice; tens of thousands of metric tons of meat, fish, beans, groundnuts, and sesame; and hundreds of thousands of metric tons of vegetables.

Along with stepping up food production, army units have attached great importance to conserving supplies, manpower, and capital; have seriously implemented various state positions and policies; and have contributed to the struggle against negative phenomena.

The conference heard 11 reports presented by units that typified good financial management in the entire armed forces. On this occasion, the Defense Ministry decided to recognize 75 units as ones that have done well in financial management. It also presented banners to 11 units and certificates of meritorious service to 64 others.

On behalf of the defense minister, Senior Gen Le Trong Tan warmly praised the achievements recorded in the past by various units in doing financial management work well. He reminded all units to develop strong points, rectify shortcomings, gain a profound understanding of the spirit and contents of the resolution of the eighth party Central Committee plenum and creatively implement it, renovate the management system, and achieve really high efficiency in production so as to further increase the army's strength in combat and training.

CSO: 4209/663

INTERNATIONAL RELATIONS, TRADE, AND AID

WORLD OPINION ON INDOCHINA PEACE OFFER

BK231612 Hanoi International Service in English 1000 GMT 23 Sep 85

/Text/ The 11th foreign ministerial conference of the three Indochinese countries held in Phnom Penh in mid-August made several important decisions.

In view of the progress in all fields made the Kampuchean people in the past 6 years, the People's Republic of Kampuchea and the Socialist Republic of Vietnam decided the following:

The Vietnamese volunteer forces will pursue their yearly gradual withdrawal from Kampuchea and will conclude their total withdrawal by 1979.

The People's Republic of Kampuchea declared its readiness to talk with various Khmer opposition groups or individuals in order to discuss the realization of national reconciliation on the basis of the elimination of the genocidal Pol Pot clique as well as the general elections to be held following the total withdrawal of Vietnamese volunteer forces from Kampuchea.

These constructive proposals are highly appreciated by the world public. At the reception given to Vietnamese Defense Minister Gen Van Tien Dung on 10 September, president of the Presidium of the Supreme Soviet Andrei Gromyko said the proposals at the 11th foreign ministerial conference of the three Indochinese countries aimed to ease tension in Asia and the Pacific and Southeast Asia. President Andrei Gromyko also reaffirmed Soviet total support to the peaceful foreign policy of Vietnam, Laos, and Kampuchea.

Earlier, on 18 August, the foreign minister of Afghanistan said the only way to solve tension in Southeast Asia is that all parties concerned positively respond to the proposals and initiatives adopted at the Phnom Penh conference. For his part, the Cuban minister said the joint communique of the 11th foreign ministerial conference of the three Indochinese countries once again expounded the initiatives and constant efforts of Vietnam, Laos, and Kampuchea in obtaining peace and stability in the region while seeking a negotiated settlement for the Kampuchean issue.

On 17 August, the Cuban Foreign Ministry also issued a statement pointing out that the Indochinese countries' initiatives are an effective contribution to easing tension in Southeast Asia and to the preservation of world peace.

In the Vietnam-Denmark joint communique on 11 September, the Danish communist party stressed the proposals put forth at the 11th Indochinese foreign ministerial conference are in conformity with the aspirations of all nations in the region and an important contribution to peace and security in Southeast Asia and Asia as a whole.

The Czechoslovakia-Vietnam friendship association has issued a statement pointing out that the latest proposals and initiatives of the three Indochinese countries are a powerful motive to promote peace and stability and good neighborliness in Southeast Asia.

The Mongolian radio on 20 August said the Indochinese countries' initiatives put forth at the Phnom Penh conference aimed to ease tension in the region. Meanwhile, the major papers in Syria on 27 August all hailed the latest proposals of the three Indochinese countries as positive.

And for its part, altogai paper, the SIAM RAT, recently said these proposals of the three Indochinese countries should be (?priorly) considered, especially the proposal on negotiations with Thailand.

CSO: 4200/1583

INTERNATIONAL RELATIONS, TRADE, AND AID

RADIO HANOI MARKS 40TH FOUNDED ANNIVERSARY

OW211343 Hanoi International Service in Mandarin 1130 GMT 18 Sep 85

[Feature Report: "Voice of Vietnam's 40 Years"]

[Excerpts] An independent Vietnam was born on 2 September 1945, and the Voice of Vietnam was established on 7 September 1945. The Voice of Vietnam already has a history of 40 years.

While marking the 40th anniversary of the founding of the radio station, those who work for the station's Chinese language department wish to extend our best wishes to our Chinese listeners and recall those unforgettable days in the past.

The Voice of Vietnam has carried many reports on China's activities in aiding Vietnam and opposing the United States. Slogans changed by the Chinese people such as "Down with U.S. imperialism!" and "U.S. imperialism, get out of Vietnam!" still linger in our minds.

We sincerely appreciate the deep feelings of China and Chinese friends for the Vietnamese people. If our Chinese listeners have a chance to visit Vietnam, they will realize that Vietnam is a nation that profound sentiments of friendship. It is the earnest hope of the Vietnamese people to have a peaceful environment to rebuild their war-torn nation.

Despite the deterioration of Vietnamese-Chinese relations, Vietnam is always willing to resume normal relations with China at any time, because this conforms with the basic interests of the people in both countries. The trend at present is peace and dialogue. Le Duan, general secretary of the Central Committee of the Vietnam Communist Party, said: We are willing to resume normal relations with China. Friendship between Vietnam and China will definitely be restored. Those of us who work for this station's Chinese language department also believe deeply that friendship between Vietnam and China will definitely be restored. We will carry forward our glorious 40-year tradition, and work harder than ever before to promote friendship between the two countries. In conclusion, we wish to extend our best wishes to our Chinese listeners and friends and to all the Chinese people.

CSO: 4005/1448

INTERNATIONAL RELATIONS, TRADE, AND AID

'TRIALS' OF PAPER MILL EXAMINED

Bangkok BANGKOK POST 9 Sep 85 p 5

[Article by Chris Sherwell]

One hundred bumpy kilometres north-west of Hanoi, standing prominently above peasants in greening paddy fields, is a most singular industrial development: a Swedish-financed pulp and paper mill. It is the biggest aid project backed by a Western country in Vietnam, and reputedly the biggest such mill in Southeast Asia.

The story of its establishment is a tale of trial and tribulation, illustrating perfectly the problems and rewards for a Western government of assisting one of the world's poorest but hardest people.

Officially, the project is known as the Vinh Phu pulp and paper mill, after the province in which it is located, but everyone calls it Bai Bang, after the local village. Agreed between the two countries in 1974, before the war to reunify the country ended, it has continued despite Vietnam's invasion of Kampuchea in 1979 and finally came on stream in 1982.

The project is designed to develop Vietnam's forest industry. It involves felling trees in an area near the Chinese border, transporting them south to the mill by the Song Lo River and by road, pulping the timber, and manufacturing writing and printing paper to help meet the needs of Vietnam's 60 million people.

But at SKr2 billion (\$220 million) Bai Bang has cost far more than originally planned. It has also required a far greater number of Swedish experts than expected, taken far longer to get implemented and is currently operating below 50 percent capacity. On a cost-benefit analysis, returns are reckoned to be close to zero.

Vietnam's limited experience with large, technically advanced plants, its poor infrastructure and lack of trained manpower have been enormous obstacles. Because the Vietnamese contribution was less than hoped, more Swedes had to be taken on in executive roles and costs soared.

One particular problem has been the forest project, in which 250,000 hectares of forest, set in a vast 800,000 hectare area, is being used as the source of bamboo, styrax and mangletia from which the paper is being made. Later, after planting and maturing, eucalyptus and pine will also be used.

The difficulty was that, while there was enough raw material in the forest, not enough initially reached the mill—only 60 percent according to Mr Trinh Ba Minh, its director. This was because access roads were not built in time, despite urging from the Swedish advisers.

Part of the problem, it seems, was persuading relatively autonomous provincial authorities to take action, as well as coordinating different government departments. The Swedes have had to deal with the Ministry of Foreign Trade, the ministry's Technoimport trading company, and the ministries of Light Industry, Forestry and Construction, as well as the Vinh Phu provincial authorities.

The paper mill eventually started trial runs in 1981 using Swedish imported pulp, and produced 7,000 tons of paper. The following year it produced 11,000 tons, and in 1983 it generated the same amount but using Vietnamese pulp after the commissioning of the pulp plant.

With the raw material supply problems apparently over, the aim in 1985 is to increase still further last year's improved production of 18,700 tons, taking output to 24,000 tons. Even this will still be below half the 55,000-ton design capacity, which will now only be reached by 1990--8 years after inauguration rather than the more usual 4 to 6 years seen elsewhere.

Other problems, meanwhile, continue to intrude. The plant recently was out of action for 3 days because the lime kiln needed repairing. Other equipment, according to Mr Minh, is simply unsuited to local conditions. In the case of inadequate riverside wood-handling equipment, however, the problem is that the treefellers upstream have been neglecting to cut correct timber lengths.

The wood-cutters themselves have also been the subject of controversy. A recent report by the Swedish International Development Authority (SIDA), the foreign aid agency which represents Sweden in the project, accused Vietnam of forcibly recruiting forest workers and making them work under miserable conditions.

Yet the investment of so much money and prestige by Sweden has not been totally wasted. About 80 percent of the SKr1.67 billion spent in the investment phase up to August 1982 went back home in the form of contracts to Swedish companies, for consultancy, equipment and management. Stockholm has also acquired a special relationship with Hanoi unlike that of almost any other Western country.

The Swedes have spent another SKr326 million in the so-called operational phase since 1982, 30 percent of it on the forestry project. But their financial

contribution is scheduled to decline over the next 5 years, falling from SKr80 million this year to just SKr3.8 million in 1990. The Vietnamese have spent 850 million dong (only a few million dollars at realistic exchange rates) since the start, the bulk of it since 1982.

Mr Minh hopes that by 1988 the mill will then be meeting two-thirds of Vietnam's needs for writing and printing paper. It must be noted that Vietnam uses an estimated one kilogram of paper per person per year, Sweden's consumption is 229 kilograms.

Some people now believe the mill was wrong in its original conception--that such large, complicated projects are near-impossible to implement successfully in a centrally-planned socialist economy such as Vietnam's.

The judgement may well be right. But with the mill at last up and running, a different view is also taken. Not only are the Vietnamese now producing paper; they are also learning how to use more sophisticated technology and developing management skills.

CSO: 4200/1587

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

VAN TIEN DUNG GREETES DZHUROV--Hanoi VNA 23 Sep--Defense Minister Gen Van Tien Dung today sent his warmest greetings to Bulgarian Defense Minister Gen Dobri Dzhurov on the 41st anniversary of Army Day of the People's Republic of Bulgaria. Gen Van Tien Dung said in his message: "Being born in the flame of the revolutionary struggle, the Bulgaria People's Army fought heroically together with the Soviet Army and recorded brilliant exploits. Under the leadership of the glorious Bulgarian Communist Party, the Bulgaria People's Army has become a people's modern army with high combat strength and readiness, firmly defending the peaceful labor on the beautiful land of George Dimitrov and maintaining, together with the country members of the Warsaw Treaty, peace and security in the Balkan peninsula, Europe and the rest of the world. The Vietnamese people and Armed Forces greatly rejoice at the great achievements recorded in all fields by the fraternal Bulgarian people and Army." The Vietnamese general expressed sincere gratitude to the Bulgarian party, government, people and Army for their strong support and valuable assistance to the Vietnamese people and Army past struggle for national liberation and present national construction and defense. On 20 September, a meeting was held by the Vietnamese artillery corps to honor the anniversary. /Text/ /Hanoi VNA in English 1459 GMT 23 Sep 85/

POLISH DEFENSE MINISTER DECORATED--Hanoi VNA 24 Sep--The "Ho Chi Minh" order of Vietnam has been conferred on Polish Defense Minister Gen Florian Siwicki, who is also alternate political bureau member of the Polish United Workers' Party Central Committee. The conferment was made in Warsaw on 20 September by Vietnamese Ambassador to Poland Nguyen Trong Thuat. Also on this occasion, the "military exploit" order, first class, and the "friendship" order were presented to other high-ranking Polish Army officers. Speaking at the conferment ceremony, Gen F. Siwicki said: "We regard these lofty awards as a demonstration of the Vietnamese people's high regard for the Polish Army." He also reaffirmed Poland's strong support for the Vietnamese people's past struggles against the French colonialists and the U.S. imperialists, as well as present national construction and defense. Among those present on the occasion were Jan Growczyk, alternate member of the Political Bureau and secretary of the PUWP CC; Boleslaw Itanek, vice president of the Polish Council of State. /Text/ /Hanoi VNA in English 1514 GMT 24 Sep 85/

DEFENSE MINISTER GREETES MOZAMBIKAN COUNTERPART--Hanoi VNA 24 Sep--Defense Minister Gen Van Tien Dung has sent his warmest greetings to his Mozambikan counterpart, Gen Alberto Joaquim Chipande, on the 21st Army Day of the People's

Republic of Mozambique (25 Sep). Gen Van Tien Dung says in his message: "Over the past 21 years, under the leadership of the Frelimo Party headed by Comrade Samora Moises Machel, the heroic people and armed forces of Mozambique have overcome untold difficulties and trials, winning important victories in national construction and defense and foiling all schemes and moves of aggression and sabotage by imperialism and racism, and their stooges. "On this occasion," the message says, "we would like to express the Vietnamese people and Armed Forces' militant solidarity with and strong support for the fraternal Mozambican people and Armed Forces' just struggle to consolidate national independence and make Mozambique a prosperous country. May the solidarity and fraternal friendship between the peoples and armed forces of our two countries further consolidate and develop," the message says. /Text/ /Hanoi VNA in English 1501 GMT 24 Sep 85/

AAPSO COMMITTEE EXPRESSES SOLIDARITY--Hanoi VNA 24 Sep--The Vietnam AAPSO Committee has strongly condemned the South African administration's aggression against the People's Republic of Angola, describing it as the "violation of the international laws and an arrogant challenge to the public opinions in the African countries, the nonaligned countries and progressive force in the world." In its message of support to the Angolan Union for Solidarity and Friendship with Other Peoples, the Vietnam committee said: "The Vietnamese people, together with the progressive people all over the world, reaffirm their unshakable solidarity with the fraternal Angolan people in their national construction and defense. "We wish the Angolan people, under the leadership of the People's Movement for the Liberation of Anolga (MPLA) headed by Chairman Jose Eduardo dos Santos, still greater achievements in their national construction and defense." /Text/ /Hanoi VNA in English 1522 GMT 24 Sep 85/

CSO: 4200/1583

PARTY ACTIVITIES AND GOVERNMENT

DO MUOI SPEAKS AT POSTAL SECTOR ANNIVERSARY CEREMONY

BK241016 Hanoi NHAN DAN in Vietnamese 16 Aug 85 pp 1, 4

/VNA Report/

/Text/ On 15 August in Hanoi, the post and telegraph sector solemnly held a ceremony to mark its 40 th anniversary (15 August 1945-15 August 1985).

Comrade Do Muoi, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, attended the ceremony.

Also present were many representatives of various sectors and organs at the central level and in Hanoi.

Comrade Dang Van Than, acting director of the Post and Telegraph General Department, delivered a speech pointing out the development and maturity of the sector and its great contributions to our country's revolutionary undertaking. Over the past 40 years, especially in the 1980's, the post and telegraph sector has made steady progress in numerous fields. The value of postal service rendered each year has increased by nearly 25 percent with an 84-percent increase in profit, while manpower has increased by only 2.3 percent. With the assistance of the Soviet Union and other socialist countries, our post and telegraph sector is gradually being modernized. The Lotus ground satellite station network and the coaxial and axial cable networks have helped improve the quality and efficiency of communication services in the country and with other countries. Our country maintains relations in postal service with 35 countries, in telephone service with 31 countries, and in telegraph service with 200 points throughout the world. It is also a member of the international post and telegraph organization.

Implementing the party Central Committee's eighth plenum resolution, the post and telegraph sector is undergoing new changes and is gradually eliminating bureaucratism and subsidization and switching completely to socialist economic accounting and business.

On behalf of the party Central Committee and Council of Ministers, Comrade Do Muoi commended the post and telegraph sector for its great contributions to our party's revolutionary undertaking. He said: In the days ahead, implementing the party Central Committee's eighth plenum resolution and other resolutions

of the party, along with struggling to eliminate bureaucratism and subsidization and switch completely to socialist economic accounting and business, the post and telegraph sector must pay attention to improving the quality of communications and ensuring expeditious, accurate, confidential, and secure communications. The sector must also pay attention to serving the people with devotion and courteousness.

CSO: 4209/663

ECONOMIC PLANNING, TRADE, AND FINANCE

TO HUU ARTICLE ON PRICES, WAGES, MONEY

OW240435 Hanoi Domestic Service in Vietnamese 1100 GMT 19 Sep 85

/Parts I and II of Article by To Huu, Member of the Political Bureau of the CPV Central Committee and Vice Chairman of the SRV Council of Ministers, published recently in NHAN DAN: "Abolish the Bureaucratic Mechanism of Economic Management Based on State Subsidies and Solve Some Pressing Problems Related To Prices, Wages, and Money" /

/Text / Part I. Status of Prices, Wages and Money

During imperialism, there were conditions for our country's economy to develop. To ensure combat requirements and the people's needs in life, we had to rely, for the greater part, on the aid of fraternal countries, and as a result, prices and wages as well as finance and currency remained basically stable. The subsidization system, which was essential during the resistance wars, has become a habit in our way of life and socioeconomic management.

Since the liberation of southern Vietnam, the economic and financial conditions in our country have basically changed. Nonrefundable aid has become insignificant. The greater part of long-term loans granted by the fraternal and friendly countries has been devoted to the building of all projects and to equipment. To import raw materials, fuel, and consumer goods, we must step up exports.

Since 1981, we have enjoyed no more favors regarding the prices of imported goods, which have more than doubled. The volume of many kinds of imported supplies and consumer goods has been reduced considerably. Despite our efforts to develop local production in line with the guidelines specified in the resolution of the sixth plenum of the fourth party Central Committee and despite some encouraging achievements, the assets produced at home have not yet exceeded that of the diminished assets secured from foreign sources.

The two wars of aggression staged by the Chinese reactionaries at the southwestern and northern borders of our country in 1979 caused heavy damage to our people. Our population has increased very fast. For this reason, our per capita national income decreased unexpectedly by 20 percent in 1975 and has continued to decrease annually by 2 to 3 percent. Meanwhile, our national defense needs were very great, and our capital construction expenses had to be maintained at a high level. In 1980, faced with difficulties, great economic imbalance, and

international price fluctuations, the Political Bureau issued resolution No 26, and then in 1981, it issued directive No 109 on distribution-circulation improvements. The Political Bureau's resolution No 26 issued in June 1980 provided guidelines and policies on improving distribution-circulation operations in three steps:

1. Stabilize the economic situation and life, achieve budgetary and cash balances, and prepare conditions for adjusting prices and wages; and
2. Adjust retail prices, obligatory purchase prices, and wages; and
3. Adjust wholesale prices and perfect the distribution-circulation system.

Realities have shown the correctness and necessity of the general guidelines and policies in adjusting distribution-circulation operations. However, the planning of the three steps mentioned above has been proven wrong and unable to help stabilize the economic situation and life or achieve budgetary and cash balances. This is because we have failed to primarily adjust prices and wages and control the social market in accordance with the view of thoroughly abolishing the bureaucratic mechanism of economic management based on state subsidies and completely switching the entire management system to the socialist system of economic accounting and business transactions while maintaining subsidization through prices and wages. Aware of this weakness, the Political Bureau issued directive No 109 in May 1981 making state-prescribed prices correspond to the value of goods and to the purchasing power of money; restricting the subsidization scale; strictly reducing the volume of goods supplied in kind; and granting wage allowances to workers, government employees, and the armed forces.

Implementing the Political Bureau's resolution and directive, in 1981 and 1982, the state realized a relatively comprehensive adjustment of the pricing system, with the exception of supply pricing including mainly nine staple commodities. The price level was raised five to seven times in 1981 and 1982, reflecting in a relatively correct manner the value of merchandise, the actual purchasing power of money, and the actual market prices at that time. This price adjustment contributed to expanding the operations of the socialist trade sector, boosting the compulsory purchase of goods, and placing goods under state control. The relative value of agricultural and industrial products was adjusted more rationally, and as a result, the industrial, construction, communications and transportation enterprises, for from sustaining losses as before, began to make profits and difficulties regarding the state budget were reduced.

However, the problems of prices, wages, and money are very complicated. Moreover, because of our lack of experience, the readjustment of prices and wages in 1981 and 1982 showed many shortcomings and weaknesses. The main points were that we failed to realize that the profound malady of the national economic management system was bureaucracy and subsidization; we failed to grasp the idea of abolishing subsidization; we failed to completely shift our economy and management work to socialist economic accounting and business transactions. The maintenance of excessively low prices of supplies and the low wage system resulted in the situation where production costs did not correctly reflect the

wage system. Despite adjustments, prices did not yet reflect correctly the value and purchasing power of the fluctuating currency. The state budget had to compensate for big losses. Trade activities encountered many complications and difficulties. There was a lack of uniformity in making calculations as well as in managerial work. Wage allowances did not correspond to price increases. Prices were adjusted, but at the same time, production activities were not rearranged and reorganized and the transformation, management, and control of markets were not intensified. The price and wage systems remained inflexible and unsuitable to the economic and financial situation still showing major imbalances and lacking steadfast and stable development.

Since the adjustment of prices and wage allowances in 1981 and 1982, the distribution-circulation situation, far from being stabilized, has continued to change in a complicated and confusing manner. Prices, wages, and money have become hot issues, revealing many discrepancies needing urgent settlement. This situation has proved that over the years, despite some partial changes, the policies on prices, wages, and money have basically assumed the character of bureaucratic subsidization, mainly at the central level. The system of prices, wages, and money have lacked essential dynamism and have been unsuitable to an economy in the initial stage of the transition from small production to socialist large-scale production.

The adjustment of prices, wages, and money over the past years has not been uniform as far as the entire national economy, production, distribution and circulation, and consumption are concerned. It has not been linked to production, market control, and socialist transformation. Price adjustment and satisfactory adjustment of wages have not been made simultaneously. Moreover, financial and monetary systems and policies have also not been adjusted or amended conformably.

In general, despite adjustments of prices, wages, and money, managerial work has not yet been able to rid itself of the bureaucratic state-subsidy system. Planning and management work is still done in accordance with the system of centralism, bureaucracy, and subsidization and on the basis of distribution and delivery at any cost. The state may receive profits if available but must compensate for losses. Economic accounting has become a completely misleading system, which has driven production and trade installations into a state of passiveness, dependence, and dullness and has not forced them to pay attention to productivity, quality, and effectiveness. For this reason, any dynamic installation seeking to boost production and trade activities with economic results must operate secretly and disregard regulations. Obviously, guidance and management regarding prices, wages, and money as well as the economic management system have not been effective, strict, or resolute, showing a lack of unity in thought and action. As a result, centralism and bureaucratism has prevailed along with liberalism and decentralism. State discipline and laws have not been scrupulously implemented. The management mechanism has been less effective. The principle of democratic centralism has been seriously violated. The cadres' capacity has generally been limited, failing to meet the requirements to renovate the management mechanism, abolish bureaucratism and subsidization, and completely switch to the socialist system of economic accounting and business transaction.

Part II. Objectives and Guidelines for Solving the Problems of Prices, Wages, and Money

In view of the situation mentioned above and with a view to contributing to achieving the socioeconomic objectives laid down by the fifth party congress and the party Central Committee's sixth and seventh plenums, the settlement of the issues of prices, wages, and money is aimed at meeting the following essential requirements:

Boosting production for development in accordance with a rational system in various sectors, regions, and components; exploiting all potentials in labor, land, branches, occupations, and the available material and technical bases to vigorously develop production with higher productivity, quality, and effectiveness; stabilizing the distribution-circulation situation; controlling the market and prices; stabilizing the livelihood of the laboring people in general, mainly workers, government employees, and armed forces members; contributing to gradually creating accumulation sources from the national economy to achieve socialist industrialization and build material and technical bases of socialism; contributing to boosting socialist transformation; developing state-run and collective economies; countering negativism and enemy sabotage activities.

Bureaucratism and subsidization are the maladies of the current economic management system, especially in the spheres of prices, wages, finance, credit, currency circulation, and trade. For this reason, as far as prices, wages, and money are concerned, the abolition of bureaucratism and subsidization is a very pressing requirement and a decisive central link in boosting production, controlling the market, improving and gradually stabilizing the laboring people's life, and changing the entire system of managing the national economy.

The main contents of the work to abolish bureaucratic subsidization on prices, wages, and monetary matters are as follows:

1. All rational expenses must be computed into production costs; costs must be ensured to cover all rational and real expenses so that the state will gradually stack up accumulations; the situation wherein the state must make up for irrational losses must be eliminated; the one-price mechanism must be carried out; errors, omissions, and shortcomings in fixing and managing prices must be remedied; all speculative activities must be eliminated; labor distribution and management decentralization in the price management mechanism must be correctly implemented in order to ensure the central government's right to centralization and uniformity in fixing prices for prime materials and commodities of a national nature while guaranteeing the localities' and installations' right to have their own initiative and flexibility on materials and commodities of a local nature; and on the basis of a rational labor distribution and management decentralization, price discipline must be tightened.

2. We must ensure that actual wages are sufficient for the regeneration of the labor force and are consistent with the capabilities of our national economy. We must closely link wages with labor output, quality, and efficiency; carry out the principle of distribution according to the work done; implement the uniform wage system nationwide, with rational differences among the regions and

sectors taken into consideration; give preferential treatment to those occupations and trades that require hard work, that have noxious or harmful effects, or that demand high professional or technical skills; apply cash payment for wages with commodity funds as a guarantee; and eliminate the low-price system of supply in kind, which does not truly reflect the actual prices of commodities.

3. We must establish the financial autonomy of sectors, localities and installations; definitely switch all production and transaction activities of all sectors, localities, and installations to economic accounting and socialist business transactions; and get rid of all irrational loss compensations by state, central-level, and local budgets for production and business activities. Loss compensations, if any, must be considered as isolated, temporary cases and must be strictly scrutinized. All economic organizations must be held responsible for the profits and losses of their own sectors, localities and units. We must abolish all expenses of the central and local budgets of a prevalent subsidization nature and all expenses not consistent with the state system; tighten financial discipline; strive to positively achieve budgetary balance in a short period; and create conditions for local budgets to have stabilized and increased revenues. The central level should not subsidize the localities.

4. Monetary and credit work must be rapidly shifted to economic accounting and socialist business transactions. We must do a good job in discharging all bank functions in order to create the best possible conditions for all sectors, localities, and installations to implement economic accounting and socialist business transactions; use the economic efficiency of capital as the prime criterion in banking activities; take the initiative in issuing bank notes on the basis of controlling production, the market, and goods distribution and circulation; plan bank note issuances and combat passive issuances; and strive to put an end, at an early date, to inflation resulting from budget expenditures.

In terms of scale and scope, this is a large, comprehensive readjustment of prices, wages, and money, a revamping of economic relations among the sectors and localities, among the central, local, and grassroots levels, among the sectors of the economy, and between accumulation and consumption. It is something which involves the livelihood of our entire people, our social production as a whole, and not merely confined to the state-run economy as such.

Posing this problem at a time when our fluctuating economic situation has not yet stabilized, we realize that it is work that must be done immediately and in a positive, pressing, and resolute manner. However, sound projects must be carefully calculated that are closely linked to production development, construction, and the perfection of the new economic management mechanism.

Policies and organization for the implementation of tasks, in every step, must be done simultaneously and in thorough understanding of the viewpoint of abolishing bureaucratic subsidization; they must be based on projects and plans of action that are carefully calculated and consistent with actual conditions. Not only must positive results be envisioned, but temporarily disadvantageous economic, social, and political consequences that might occur must also be anticipated so that positive measures can be devised to prevent, remedy, and overcome them. Therefore, it is necessary to combat vacillation, hesitancy, rashness, and simplism in thought and action.

ECONOMIC PLANNING, TRADE, AND FINANCE

BOTTLENECKS FOR PRODUCTS IN HA NAM NINH PROVINCE

Hanoi NHAN DAN in Vietnamese 28 Jun 85 p 2

[Article by Mai Phong: "On the Question of Bottlenecks and Recovery of Products in Ha Nam Ninh"]

[Text] In Ha Nam Ninh, one easily recognizable achievement of the province in recent years has been a new transformation on the agricultural production front, especially in the production of cereals. From 1981 to 1984 the total cereal production of Ha Nam Ninh has not ceased to increase, from over 790,000 tons to 893,000 tons, and even nearly 935,000 tons in 1982. Compared to the average for the 5 preceding years (1976-1980), this represents an increase of 160,000 to 180,000 tons. This is the period when Ha Nam Ninh has reached the highest level of production since the farmers in the provinces adopted the collective way of farming. This level of production is all the more significant in the conditions of agricultural production obtained here, where there have been many difficulties in the last few seasons due to natural calamities and to the constraints due to limited capital and building materials.

One important reason for that great success was the great motivation provided by the product contract system which was implemented early in cooperation with the various laboring groups and individuals, then continued to expand and be perfected in practically every locality in the province.

Nonetheless, in the countryside of Ha Nam Ninh there still remain some cooperative members and quite a few state economic organizations which still owe money and paddy to the collectives. This has greatly impacted the production and business of the various cooperatives, causing complications in the life of the countryside. Still incomplete data show that during 4 years (1981-1984), after 8 crops under the new contract system, farmers owe the cooperatives 31,000 tons of paddy and 170 million dong by 1984 (this does not include 2 districts for which we do not yet have the figures); this represents more than 5 times the amount of paddy and 3.5 times the amount of money owed before. In the main crop of 1984 alone, the amount of paddy that stayed with the farmers was 45.9 percent of the total amount of paddy that remained with them during the previous 4 years. Some consider this to be a "serious" situation while some others consider it to be "normal in economic life!"

The Problem As Seen From Several Concrete Angles

According to data from the Agricultural Committee, the Agricultural Office and from the Collective Farmers Association, the situation of back debts in paddy and money payments exists in practically every one of the 20 districts and municipalities in the province. The district which owes the smallest amount of paddy fluctuates around 1,000 tons, and the one with the largest comes to 5,000 to 6,000 tons. The districts of Nghia Hung and Nam Ninh, which lie in the richest rice area of the province, still have paddy that remains to be paid by the cooperative members at the level of over 3,000 to 5,000-6,000 tons each. Besides the paddy owed to the cooperatives, in Binh Luc District the cooperative members still owe money to the tune of 24 million dong. In Kim Son district, the cooperative members of some 44 cooperatives owe them 40 million dong. In each district and each village, the back debts have their own and varied character. Investigations in 14 cooperatives belonging to 10 villages in 7 districts (Nam Ninh, Nghia Hung, Kim Son, Xuan Thuy, Y Yen, Ly Nhan, Binh Luc) show that in 132 families of contractors there is enough and more than enough paddy to pay these back debts to the cooperatives, yet they procrastinate and the total amount of paddy owed comes to nearly 100 tons; of the families involved, 95 owe from 1 ton up. Households that deliberately procrastinate are found in every district, accounting for 10 to 15 percent of the debtors. It was because they were unable to collect the debts and the contracted products that the cooperatives are forced to impose penalties in terms of interest, which have a way of accruing, adding more and more to what may have originally been a small debt. The situation of penalized units is widespread in both the districts and the cooperatives. Of the 22 cooperatives in the south of Nghia Hung District, 10 have penalized the families of debtors up to 311 tons. One cooperative has penalized its members up to nearly 100 tons. In Nam Ninh District, 34 of its 55 cooperatives have penalized their members to the tune of 714 tons. The high or low level of interest is determined by the cooperatives themselves but at any rate it makes the amounts due climb up in the books. With the exception of some procrastinators (including cadres, party members in the villages and cooperatives), most of the debtors are families with few hands, which do not have enough laboring power, families of wounded soldiers or deceased heroes, and some which ended up being debtors because of emergency expenditures or unplanned births. Some families started out with large numbers of people and thus contracted great amounts of product, but after a while the children went into the army or got married, and the families ended up not being able to fulfill the contracted amounts and thus ending up in debt. Others may not yet have enough capital to start with or to invest in intensive cultivation, or they may be hit by natural calamities and pests, causing crops to be poor and making it impossible for them to meet the contract goals. There are those who, for want of seed, had to abandon their fields, yet all of them were counted in the contract plans and brought into the distribution scheme. Then there are those who owe debts to the cooperatives but who have either died or gone to new economic zones without being taken out of the debt books or cleared of their debts. Thus, the total amount of debts can be said to be a comprehensive indication of all sorts of debts and categories of debtors. If this

total amount of debts and back payments is indexed at 100 percent, the proportions of the various kinds of debts are as follows: 45.9 percent represents the debts owed by the cooperative members due to their not handing in the total amount of contracted products; 20.5 percent represents the amount of ancient debts that accumulated when the parties were contracted to do something; 17.1 percent represents the debts owed by cooperative members for not having handed over their prescribed amount of pork; 9 percent represents debts owed by the cooperative members trading their paddy against nitrogenous fertilizers without in the end turning in enough paddy; 5.7 percent represents financing charges and penalties for not paying the original debts in full and in time; and 1 percent represents the debts owed by cooperative members for missing out on compulsory man-days of various kinds, etc. Those are the debts owed to the cooperatives by their members.

In Ha Nam Ninh there is also the widespread situation of state economic organizations (from the central level down to the provincial and district levels) owing money and goods to the cooperatives after the latter sold pork, agricultural products, or traded them for fertilizer. According to the data of the Agricultural Office, in the agricultural sector alone, the various state economic organs regularly owe the cooperatives from 300 to 400 million dong in terms of money alone. In 1984, the farmers of Ha Nam Ninh sold pork to the state, which owed them 130 million dong. Hoang Long District sold tobacco to the state, which owed it 17 million dong; Hai Hau District sold pork but payments have been short 20 million dong.

The End Results, Their Causes and the Assignment of Responsibilities

Everyone knows that following each production season the cooperative's capital is figured as the product collected after each season and consists of non-distributable funds and distributable funds remaining after meeting the State obligation. Because of this, cooperatives implement a distribution plan in combination with the production and business plan of the following season and following year. But since the funds are being severely tampered with (both by upper echelon cadres and by cooperative members), the various kinds of fund get shrunken, thus leading to the situation that not only there is nothing left for further production and business plans but also leading to poor distribution and sharing. Hundreds of cooperatives in Ha Nam Ninh are in debt to the state for their capital, for which they have to pay interest every year, which obviously they have to factor into the production and business activities of the cooperatives. Forty-four cooperatives in Kim Son District borrowed 30 million dong from the state to carry out their activities; on the other hand, the cooperative members owe them 40 million dong, which is unrecoverable. The whole Nghia Hung District includes over 40 cooperatives but only 7 of them have any funds left. Because they have been "cleaned out" quite a few cooperatives do not have enough money and paddy to regulate their own affairs, the cooperative members put in work but do not receive paddy in return for their work and end up being penniless, unable to buy anything despite the fact that on record they still owe money and paddy to the cooperatives. It is because of this that the cooperative members do not feel at ease or enthusiastic about production and the

cooperatives themselves are unable to put labor into production. In such a situation, no wonder many economists believe it is a miracle that the cooperatives are not "falling apart" already! Another consequence is that the faith of farmers toward the collective and the state correspondingly decreases.

What are the reasons for such a situation? And whose responsibility is it?

Discussions with the comrades in charge at the provincial, district and cooperative level, especially in those cooperatives where products are still held back, seem to point to a consensus, that is, the still excessively poor leadership and management work of the cooperatives, of the various party and government committees at the grassroots level. The product contract motivational factor cannot take the place of the "art" of economic management residing in each production brigade, each cooperative, each grassroots party and government committee. Some cooperatives implement the new contract system but are lax about providing guidance as far as production plans, organization and labor use are concerned. The contracting of land is done with the wrong people, without consideration of laboring capabilities, of potential access to capital and the knowledge of intensive cultivation obtained in the case of each contracting family, thus leading to unfulfilled contracts and product bottlenecks. The determination of the contract level of products is not closely linked to the amount of expenditures entailed. Many cooperatives are irresponsible or do not provide any technical guidance in the so-called eight work links to the contractors so that they could apply it to each and every field.

On the other hand, the work of recovery of products and of debt collection in the cooperatives is still done in rather arbitrary fashion, the whole process of debt servicing and clearance, of awards and penalties being not very strict, it does not get cleared up after each crop and each year and for each established target category, leading to the situation of the "debt disease" expanding in every direction, of fictitious penalties on the books, while in actuality the cooperative's funds are exhausted, they have no paddy and have run out of time to stop the process.

Furthermore, one must say right away that not inconsiderable numbers of cadres and party members have not set the example in turning in contracted products, they have not strictly and squarely taken care of their debts to the cooperatives. This has influenced in a bad way not only those known as procrastinators in the cooperatives but also the positive elements who may encounter difficulties in production and in their life, thus leading to products being held back. Many party committees, chapters and cells are derelict in their responsibility of looking after those families that have difficulties, resulting in unfulfilled contracts and debts in every single crop.

Finally, the province and districts, and even a number of central economic sectors and organs, have not been solvent in their transactions and commodity exchanges in accordance with the agreements signed with the

cooperatives. This has caused money, paddy and commodities to hit snags in the countryside, leading to numerous difficulties for the cooperatives and for the laborers.

All the above has not taken into account price fluctuations, the phenomena of forcing farmers to accept lower prices or to deliver agricultural products or the phenomena of slow payments and frequent and prolonged dippings into the cooperatives' funds, thus causing losses in the collective, rendering the laborers' incomes inadequate to cover their expenditures, leading to unending debts and an interruption to the flow of products.

Lessons Learned from Typical Examples

An encouraging element is to be found in the fact that although the blocking of products and intricate debts are widespread phenomena in the cooperatives of Ha Nam Ninh, they are not yet a universal situation. In every district and every village there are cooperatives, in fact even several cooperatives, which cleanly collect all their products and squarely take care of their debts season after season, year after year, including the collection of past debts that may have accumulated. This is the situation of Tu Mac (Y Yen), Hai Tan, Hai Trung, Hai Van, Hai Dong (Hai Hau), Nhan Khang, Nhan Hoa, Mai Cong, Nhan Hau (Ly Nhan), Nam Cuong, Khanh Hoi, Van Hai, Tay Hai (Kim Son). Kim Son District has 10 cooperatives which cleanly collect their products and are not in debt.

Why is it that these cooperatives can cleanly collect their products and do not get into new debts? Can the answer here be the solution for all the rest of the cooperatives? As has been presented above, the fundamental factor is of course production. And production is wedded to the management and operational work of each basic unit right from the start of each crop. More than that even, the opinion of many cooperative directors with experience in management is that the collective must take responsibility right from the very first moment when the fields are turned over to the contractors, and it must help the latter to reach and overfulfill the contract level from the very first link to the moment the paddy gets packed. In other words, both the collective and the contractor are responsible for the whole process, all the way till the final product. When one comes to the cooperatives that have no debts, where the compulsory deliveries of products are fulfilled, one can find both the cooperative members and the leadership beaming. "Everyone wants to be garlanded, no one wants to be neck-deep in debt," they say. That is also the common psychology of the farmers who are followers of the Party. From these living realities one can find the determining factors in the clean collection of products and in the solving of debts in the cooperatives to be concentrated on the following points:

1. Successful are those cooperatives which have a fine and highly responsible team of managerial cadres, who are actively engaged from the start of the process of contracting with the right parties, in accordance with their capabilities in terms of labor, capital, and understanding of the techniques

of intensive cultivation, and who contract work out in close relation with reality; who organize and regulate well while sharing responsibility with contractors all eight links in production and give help to cooperative members so that they can do well the three links for which they are responsible. The cooperatives regularly classify each household, each seedling wave and each earring wave so as to take timely measures in helping them, thus insuring that every field is fine and every household reaches and overfulfills the contract level. The cooperatives must have in store, physical means such as seed, fertilizer and insecticides, which can be advanced to the cooperative members (without interest) so that they can invest in intensive cultivation, especially in the case of those households that lack the means and need them. In the case of those that are short of hands and that are unable to fulfill their contract, the cooperatives find employment for them and help them to expand their home economic activities so as to reduce their debt level.

2. The cadres and party members must be clean, and the collective should not be in debt to cooperative members; and the products are cleanly collected after every crop. One must be determined in collecting the products, and everyone from the party down to the masses must be solvent and stand on an equal footing in regard to the collective. Any shortfall in the collection of products must be publicly debated and the responsibility assigned from the production team up and taken care of right away in the following crop. The turning over of contracted products to the cooperatives and their lending of paddy in times of difficulty should not be mixed up and confused, and no interest should be involved here nor should there be penalties. Under the leadership of the various party committees, the local authorities, the cooperatives and the mass organizations (the collective farmers associations, the women's, youth, and senior citizens associations) actively help the cooperative members and union members in production, both in their compulsory work and at near-harvest time.

3. When there are natural calamities causing poor crops, the cooperatives also openly readjust their aims or bring down the contracted level to the degree necessary. Should they have changes in their laboring or capital capabilities, the plight of the contracting families must be discovered by the collective in time so as to have measures to help them or transfer some of the contracted fields to other households. There must be rational and acceptable ways of collecting longstanding paddy or money debts (from other agricultural products or pork) in the case of those households that have cash or production difficulties. In the case of longstanding debts owed by families in difficulties or who can adduce legitimate reasons, should one wipe out the penalties and try to collect the principal only? On the other hand, in the case of obdurate procrastinators who have the capacity to pay up their debts but refuse to, one should deal with them in strict fashion, including the application of the law in their case. One must also get rid of those debts for which no one is responsible (as in the case of deceased persons or persons who have since moved far away, permanently) and not leave them on the books in an artificial manner. One must also implement in an open and public manner all schemes of sharing and distribution, thus eliminating all negative phenomena in the countryside.

4. Under the determined and responsible leadership of the province and of the districts, the state economic organizations must squarely take care of the debts they owe to the cooperatives and the laboring workers, they must put an end to the mispending of the cooperatives' capital, a phenomenon which goes on and on through many crops and many years, and help the cooperatives take care of their debts to their members so that they can have capital for production and business and to expand production.

1751

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ECONOMIC PLANNING, TRADE, AND FINANCE

NHAN DAN EDITORIAL ON ELIMINATING SUBSIDIZATION

BK231338 Hanoi Domestic Service in Vietnamese 2300 GMT 22 Sep 85

/NHAN DAN 23 September Editorial: "Implementing the Party Central Committee's Eighth Plenum Resolution: Abolishing Bureaucratism and Subsidization in Terms of Prices and Wages Constitutes a Process"/

/Text/ Proceeding from the socioeconomic situation in recent years, all of us realize the need to definitely abolish the system of bureaucratic centralism and subsidization and correctly enforce the system of democratic centralism, economic accounting, and socialist business on the basis of planning so as to step up production and business effectively. A lot of things must be done to abolish the old system and shift to the new one, but abolishing bureaucratism and subsidization in respect to prices and wages constitutes a pressing requirement and a decisive task. To abolish bureaucratism and subsidization in terms of prices and wages we must thoroughly understand the major viewpoint of the eighth plenum resolution and carry out the central task set forth therein--that is, to completely shift to economic accounting and socialist business.

Nevertheless, it is not simple and easy to abolish the system of bureaucratism and subsidization in the economy in general as well as in terms of prices and wages in particular. This is an extremely complex and difficult task that cannot be accomplished subjectively, hastily, and massively all at once. Abolishing subsidization in terms of prices and wages to shift to the new mechanism of management constitutes a process that involves steady and carefully calculated steps suitable to the situation and characteristics of our country. The current specific policy for renovating the system of prices and wages reflects this process. It is necessary to correctly and fully compute supply expenses, asset depreciation costs, internal settlement, and all other production expenses; to abolish subsidization and compensation for losses in the economy; and to do away with egalitarianism in distribution and wage compensation. All this must be carried out on a step-by-step basis in accordance with the realistic situation so as to guarantee normal production and distribution and avoid major disturbances.

This process is necessary because the system of bureaucratic centralism and subsidization has existed for so long that it generates bad habits in our ways of thinking and doing things and deeply penetrates our entire system of policies and procedures on management; hence, it cannot be overcome all at once. Our

level of organizing management has improved, but it still remains weak in many respects. The policies, systems, viewpoints, methods, and new business formats adopted by the party and state originate from realities and from the fully creative activities performed by the working people as collective masters and by the various sectors, localities, and basic units. They have been tested by realities and then, gradually supplemented and perfected to form a new mechanism of management.

We need a process. This means that time is needed for the various establishments and the entire economy to increase productivity, improve quality, and reduce production expenses so as to arrive at rational production costs that fully and correctly reflect the expenditures that are really necessary for turning out products. This is aimed at providing society with a greater supply of products and ensuring more equitable and rational distribution. This process is, in reality, to go from liberal subsidization to partial subsidization and advance toward eliminating it altogether.

Whether the process of abolishing bureaucratism and subsidization in terms of prices and wages and renovating the mechanism of management will be fast or slow and long or short depends on our own efforts. This process must be carried out steadily, resolutely, and urgently. Care is needed, and so is dynamism and sharpness; and it is necessary to avoid hesitation, conservatism, sluggishness, and marking time. Resolute efforts must be made to correct mistakes without delay and to do what is known to be right without hesitation. This spirit and viewpoint of the eighth plenum resolution must be thoroughly understood in resolving the issue concerning prices and wages.

With the new decisions on prices, wages, and money adopted by our party and state to concretize the eighth plenum resolution, we have succeeded in breaching the bunker of bureaucratism and subsidization. The problem is that we must continue the offensive and make deep attacking thrusts to completely destroy the system of bureaucratism and subsidization.

Resolving the issue of prices, wages, and money is simply the first step. This must be followed by succeeding steps aimed at rapidly shifting the entire economy to economic accounting and socialist business on the basis of planning. This is the essence and the profoundly and thoroughly revolutionary content of the eighth plenum resolution. An important point at present is that we must broaden the initiative of basic units and enterprises in production and business. All the combined and professional sectors concerned must urgently revise old policies, introduce new ones, tighten control over the market and prices, and expand socialist trade activities so as to enable our national economy to operate with high productivity, quality, and efficiency.

CSO: 4209/663

10 October 1985

AGRICULTURE

DUONG QUOC CAM ARTICLE ON COOPERATIVIZATION

BK231400 Hanoi NHAN DAN in Vietnamese 16 Aug 85 pp 3, 4

/Article by Duong Quoc Cam, chairman of the Central Agricultural Cooperatives Management Committee: "40 Years of Achievements of the Agricultural Cooperativization Movement"/

/Text/ One of the great and outstanding achievements of our regime and country is the agricultural cooperativization movement. This very vigorous and widespread revolutionary movement, carried out continuously for several years now by tens of millions of peasants under the party's close leadership and with the wholehearted guidance and assistance of the state and working class, brought and is bringing about farreaching and important changes, altering the face of the countryside and the agricultural situation of our country.

Agricultural cooperativization can and must be introduced only when the revolution enters the period of transition to socialism. In our country, the socialist revolution did not come to the north and the south at the same time, but as long as 20 years apart. For this reason, the agricultural cooperativization movements in the two regions have also developed in a different manner marked by a similar timespan.

In the north, after the French colonialists were completely driven out, land reforms were vigorously carried out to quickly eliminate the landlord class and the feudal exploitation system. By the end of 1957, land reforms were successfully concluded, and the north began to implement agricultural cooperativization policy already decided beforehand, while the anti-French war of resistance and the land reform campaign were still underway the party set forth the task of gradually instilling the concept of collective production into the peasants and organizing them into labor exchange teams, so that they could help one another in production and life and train for future collective production work. At the same time, pilot cooperatives for agricultural production were set up. By the end of 1957, more than 100,000 labor exchange teams, which encompassed 21.9 percent of the peasant families, and 44 pilot cooperatives had been established in the north. As of late 1958, the number of labor exchange teams had increased to 244,400, attracting 65.7 percent of the peasant families, while the number of pilot cooperatives, now expanded to all provinces and districts, had reached 4,820, including 4.7 percent of the peasant families. Early in 1959, on the basis of a review of the organization of pilot cooperatives, the 16th plenum of the 2d party Central Committee and the 10th session

of the Democratic Republic of Vietnam National Assembly decided to launch a broad peasants movement to carry out agricultural cooperativization, thereby leading the peasantry to socialism through cooperativization.

Owing to the correct and timely policy of the party and state, the high revolutionary spirit of the peasants, and the centralized and close guidance of all levels and sectors, within only 2 years, from the end of 1958 to late 1960, the north managed to incorporate the majority of peasants into 40,401 low-level, small-scale cooperatives which included 85.8 percent of the peasants families and 68.1 percent of the cultivated areas. At that time, each cooperative had on the average 83 peasant families and 43 hectares of farmland.

Immediately after the majority of peasants had joined the cooperatives, the party and state repeatedly adopted important policies and measures to simultaneously conduct the three revolutions in the rural areas, ceaselessly consolidate and improve the new production relations, create conditions for gradually upgrading the cooperatives to a higher level and a larger scale, and actively build the material and technical bases, to begin with the carrying out of water conservancy work, linking this task with cooperativization. The party and state also applied the achievements recorded in biology, gradually carried out "the green revolution" in particular, and introduced high-yield new strains and progressive technical measures into production. They revised crop schedules, switched from the prevalent single-cropping practice to planting 2-3 crops per year, carried out intensive cultivation to increase crop yields in conjunction with expanding the cultivated areas.... All this was aimed at reorganizing and redistributing the work force; promoting the development of production in crop planting, livestock raising, small industry, handicrafts, and various sidelines in the countryside; concentrating resources on resolving the problem of grain and foodstuffs; providing ever more raw materials for industry and agricultural products for export; and satisfying the increasing and urgent demands of the people's life, the anti-U.S. struggle for national salvation, and the cause of national industrialization.

During the years of resistance against the war of destruction when aid was given to the south for the purpose of defeating the U.S. aggressors, the cooperatives in the north underwent numerous grave challenges and grew markedly bigger and stronger. The superiority of the cooperatives was clearly manifested in production, in the organization of life, in carrying out on-the-spot combat activities, in providing manpower and materials for the frontline, and so forth. For this very reason, the party, national assembly, and government highly appreciated the agricultural cooperativization movement and asserted: "Cooperativization in the northern countryside was a factor deciding the great victory of the entire people's anti-U.S. struggle for national salvation."

The great spring 1975 victory provided a great source of encouragement and created favorable conditions for the northern cooperatives to consolidate and perfect the production relations, stabilize and improve living conditions, and continue to make their worthy contributions to the cause of national construction and defense. Particularly, since 1981, the renovation of the mechanism of management and some policies and the broad application of the end-product contracts for labor groups and laborers has created a new turning point for the

cooperativization movement and agricultural production in the north as well as throughout the country. At present, the north has 13,315 cooperatives, most of them of a high level, accounting for 98.8 percent of the total number of peasants' families and 90.1 percent of the cultivated acreage. On the average, a cooperative in the lowlands accounts for 446 peasants' families and 211 hectares of lands, and one in the mountainous region accounts for 90 peasants' families and 64 hectares of lands. As compared with 1980 and before that, all the cooperatives have generally been consolidated more firmly. The number of good and progressive cooperatives has increased from about 30 percent to 45 percent, and the number of weak cooperatives has dropped from 23 percent to 14 percent. Agricultural production has developed comprehensively and achieved higher economic results. In particular, grain production and livestock breeding have increased at a fast rate; and output figures have remained fairly high for 4-5 consecutive years in spite of serious calamities that occurred during some crop seasons and certain years.

Together with the lowland cooperatives, those in the northern mountainous region have also been developed in the cooperativization movement and the movement for democratic reforms and have also achieved important results. Since 1979, situated on the forefront of the struggle for national defense, these cooperatives have made good progress in organizing production and life as well as in consolidating national defense, maintaining security, standing ready to fight, and carrying out combat support operations to defeat the Chinese expansionist aggressors and smashing their daily land-grabbing attempts and crimes as well as all the maneuvers employed in their multifaceted war of sabotage. However, the cooperatives in the mountainous region still remain slow in developing production and improving economic management. Many of them have failed to bring into fully play the advantages of the mountainous region; and their production orientations and managerial procedures are not really suitable with the local natural, economic, and social conditions.

In the south, following total liberation and national reunification which allowed the entire country to advance toward socialism, the provinces in the central region and Nam Bo have, under the leadership of the party Central Committee, been urgently carrying out agricultural cooperativization.

Thanks to the close combination of the national revolution and the democratic revolution throughout the two anti-French and anti-U.S. wars of resistance, the struggle to gain control of and hold onto lands (also the population, the administration, and the initiative in the countryside) took place in a fierce and uncompromising manner between ourselves and the enemies everywhere and at all times. The result was that by the time of liberation, more than 70 percent of the land belonged to the peasants; and the class of landowners, together with its feudalistic methods of exploitation, had in the main ceased to exist. Therefore, before embarking on agricultural cooperativization, the southern provinces did not have to undergo an agrarian revolution, nor did they have to launch a separate movement to encourage the peasants to carry out land reforms. Only correct agrarian policies were needed along with the restoration and development of production and the organization of peasants into simple collectivized units to "put an end to feudalism" by confiscating, requisitioning, and accepting the offering of lands belonging to colonialists, diehard members

of the puppet army and administration, reactionary traitors, the remaining landowners, and local and foreign bourgeois for allocation to landless or land-deficient peasants. At the same time, peasants were motivated to share land among themselves in the spirit of "mutual assistance" so as to thoroughly do away with exploitation, ensure the availability of land for the tillers, and create favorable conditions for advancing toward cooperativization.

The provinces in the coastal region of southern Trung Bo and in the Central Highlands have quickly enforced land policies while positively expanding the agricultural cooperativization movement. By late 1976 and early 1977, the land issue had been resolved in these provinces.

The process of resolving the land issue also doubled up as the process to encourage peasants to restore and develop production and to practice various forms of simple cooperation in preparation for carrying out collectivized production and setting up agricultural production cooperatives on an experimental basis. By May 1978, the provinces in the coastal region of southern Trung Bo had set up 21,000 simple cooperation cells and teams of different types with the participation of 73 percent of the number of peasants' families; and cooperatives had been established on an experimental basis in the majority of districts. In the Central Highlands provinces, the movement to set up work-exchange teams (in areas inhabited by the Vietnamese ethnic people) or labor-cooperation teams (in areas inhabited by the montagnards) also made good headway, and pilot cooperatives were set up in every province. With the broad development of various preparatory forms and the success of pilot cooperatives, /word indistinct/ encouraged the peasants to vigorously embark on agricultural cooperativization in two forms: cooperatives and production collectives. By the end of 1979, the coastal provinces in southern Trung Bo had drawn more than 70 percent to more than 90 percent of the total number of peasants' families into cooperatives and production collectives, chiefly cooperatives; and the Central Highland provinces had drawn 74.3 percent of the number of peasants' families in the flat land areas into cooperatives and production collectives, chiefly production collectives. Since then, by learning from the strong points and avoiding the weaknesses of the production collectives set up previously in the north and by scrupulously observing and creatively applying the policy of giving end-production contracts to labor groups and laborers, the production collectives in these provinces, though inexperienced in many respects during their embryonic stage, have achieved stability at an early date and made fairly rapid progress. Numerous good models in production and management have emerged and become known nationwide, giving a boost to production. Originally beset by shortages, these regions have now been able to meet their own need for grain and deliver more and more grain and other agricultural products to the state.

The characteristics of southern provinces are very different from those of both the northern and central provinces not only in terms of natural conditions but mainly in terms of socioeconomic conditions. In the southern provinces, agricultural production was initially characterized by the production of goods along the line of capitalist orbit. Middle farmers, who account for a large percentage of the population, are real small producers and have become "intermediaries" in the rural areas. Poor and landless farmers are hired workers who

must daily sell their labor strength partially or wholly to earn their living. Rich farmers and bourgeoisie in the rural areas are new and direct exploiters of peasants. However, the greatest exploiters who control most of the agricultural situation in the countryside, are the urban bourgeoisie. As a result, the scope and character of agricultural cooperativization here involve many new and more complicated problems. The experiences acquired in the north cannot be mechanically applied to the south, but we must draw upon experiences on the spot to seek appropriate forms, steps, and methods. In the first few years, we met many difficulties in the implementation of land policies to bring peasants into work exchange and production solidarity teams and especially to build cooperatives and production collectives in the southern provinces, mainly because we did not firmly grasp the above-mentioned characteristics and did not thoroughly understand nor correctly implement the central government policies and viewpoints on agricultural cooperativization, or because we were too impatient and worked under pressure or we hesitated and failed to work positively. In 1981, since we succeeded in alertly acquiring realistic experiences, boldly applied the system of finished product contracts with groups of workers and individual workers in production collectives and cooperatives--including the new ones--we quickly increased production and the income of production collectives and cooperatives, clearly demonstrated the superiority of the collective economy. This has the strength of persuading and attracting large numbers of individual peasants--mainly middle farmers--onto the path of collective work. As they have volunteered to join agricultural cooperativization, the movement has advanced a step quicker with better quality. The southern provinces have now basically completed the adjustment of land allocation. Some 422,184 hectares of land and ricefields have been recovered and allocated to peasants while peasants are being motivated to join collective work. There are nearly 33,000 production collectives and 540 cooperatives, involving 75 percent of the total number of peasants and 71 percent of the total cultivated area, an average of one production collective for 40 households and 43 hectares and 1 cooperative for 251 households and 197 hectares. As the movement is developing well, by the end of this year the southern provinces can basically complete agricultural cooperativization mainly in the form of production collectives as set forth in the fifth national party congress resolution.

In general, the movement for agricultural cooperativization has been carried out for 27-28 years in the north and 8-9 years in the south. The entire country now has 15,360 cooperatives and 35,727 production collectives, which account for 89 percent of the number of peasant families and 78.6 percent of the cultivated acreage. Cooperatives and production collectives, however still show many weaknesses and shortcomings. Their material and technical bases in particular are still poor and their managerial ability remains immature and is still heavily affected by the mechanism of bureaucratic centralism and subsidization. Some cooperatives and production collectives in the mountainous region still have not been organized and managed in a way that suits the local characteristics and situation while newly-established cooperatives and production collectives in certain localities in the south have not yet been stabilized. However, generally speaking, all cooperatives and production collectives have constantly been consolidated and have developed ever more vigorously the superiority of collective work and affirmed that this is the only correct way to lead the peasants in our country to an abundant and happy life.

In fact, the movement for agricultural cooperativization has testified that this is an extremely important new factor--the decisive factor in effecting positive changes in the countryside and gradually advancing the countryside from poverty and backwardness to prosperity and civilization and agriculture from small to large-scale socialist production. All the successes in the struggle to build a new countryside and develop agricultural production in the past, at present, and in the future are inseparable from the movement for agricultural cooperativization. To put it more correctly, with the strength of collective mastery of tens of millions of peasants and cooperative and production collective members and with its substance which is the new production relations and new production force, the movement for agricultural cooperativization itself is the basis and moving force for achieving these successes.

In view of this, constant attention must be paid to most satisfactorily accomplishing and promoting the movement for agricultural cooperativization in every locality and throughout the country. Special attention must also be paid to constantly consolidating and strengthening all cooperatives and production collectives, which are the "battalions" and "companies" directly engaging in combat on the agricultural front--the most important front at present--and also the grassroots units of our national economy and grassroots organizations of our socialist society.

CSO: 4209/663

AGRICULTURE

BRIEFS

CROP PLANTING, FLOOD CONTROL UPDATE--More than 2.6 million hectares of autumn rice have been transplanted, and more than 500,000 hectares of land put under subsidiary and industrial crops in the whole country. The recent flood in northern Vietnam greatly affected agricultural production and people's life. About 400,000 hectares of autumn rice were submerged. Despite great efforts by peasants and all branches concerned, only 30,000 hectares of the submerged rice in Thanh Hoa and Ha Son Binh Provinces were drained. To save rice from water-logging, normalize the life of people in the flood-stricken areas, and to enlarge the acreage of winter crop are being /as heard/ urgent and primary tasks of all localities and services in Vietnam. The medical service has appointed a team to Ha Nam Ninh, the most flood-stricken province, to help local people prevent epidemic which is used to happen after floods. The public health minister also came to the province to supervise the work. Meanwhile, people in Ha Son Binh Province are applying intensive farming so as to gain high yield to make up for the losses due to the recent flood. /Text/
/Hanoi International Service in English 1000 GMT 24 Sep 85/

CSO: 4200/1583

LIGHT INDUSTRY

TEXTILE SECTOR ACHIEVEMENTS IN 1985 REPORTED

Hanoi TAP SAN CONG NGHIEP NHE in Vietnamese Feb 85 pp 1-4

[Article: "The Textile Sector Strives To Achieve the Production of 380 Million M of Fabrics in 1985"]

[Text] In 1984, conditions pertaining to raw materials, material supplies and accessories could not live up to the production missions of the textile sector. The weather was not either favorable, chiefly in the North in the last months of the year. Especially, living conditions of cadres, workers and employees of the textile sector were still precarious.

Thoroughly understanding the resolutions of the CPV Central Committee, and under tight leadership of various levels, production units in the entire sector have shown a fierce determination to overcome difficulties, remove obstacles, and achieve a self-balance that caused the sector, from central to local levels, to exceed production quotas. Finished fabrics and silk products reached 101.1 percent, an increase of 5.8 percent compared with 1983, of which, the state-managed textile industry reached 100.87 percent, surpassing the previous year by 11.4 percent, and the local textile industry and small industry and handicraft reached 103 percent, an increase of 12 percent compared with the previous year. Accrued production generated by the state-managed textile industry reached 100 percent. Missions pertaining to the export of textile products were done well, and in particular, in-arrears deliveries were far less than in the previous year.

Following are some striking features of management change in 1984 in the textile sector:

1. In the past year, a few enterprises had to temporarily close from 1 to 3 months. By yearend, at a time when there should have been a lot of business, there was a shortage of cotton.

Confronting this difficult situation, the Federation of Textile Enterprises tried to provide a tight and hands-on leadership closely linked to production and business activities of the units. Energy and raw materials were rationally regulated on a wide basis between

enterprises, and between central and local levels. Transportation means were mobilized to haul cotton for units in a timely manner. In the meantime, the federation directly focused its leadership actions on large plants which were experiencing numerous difficulties.

Units strongly developed their creativity. The Viet Thang and Thang Loi textile mills made appropriate changes in their modus operandi and achieved visible economic successes. The Nam Dinh textile mill solved its basic problems on equipment. The Vinh Phu textile mill, after successfully implementing its three objectives and its four programs of equipment restoration and management, overcame a dangerous period of decline and made steady progress. The 8 March textile mill surmounted many difficulties in the aftermath of a period of heavy rain and waterlogging, etc.

From the federation down to base units, progress was made in the operational domain, in reliable workmanship, and in predicting potential difficulties. As a consequence, preparatory work for production was well done and bad surprises limited. Executives enhanced their dynamism in production and economic linkages.

2. In the most difficult conditions, units intensified their self-balance activities, and expanded business linkages and connections, and import-export activities. Foreign currencies earned through these methods by textile enterprises of the central level increased by 32 percent compared with the previous year. This augmented revenue helped solve part of the problems pertaining to equipment, accessories, and some raw materials, primarily synthesized fiber and dye chemicals. These achievements actually contributed to the optimal use and restoration of equipment, and the improvement of product quality. They illustrated the visible effectiveness of in-depth investments. Through self-balance measures, the Thanh Cong, Phuoc Long textile mills and the Nam Dinh silk factory, among other, raised their output by approximately between 20 and 30 percent compared with the previous year. In connection with the Dong Xuan knitting mill and the Hanoi spinning mill, the Phuoc Long textile mill, through the self-balance method, produced pullovers and peco yarn, opening a good approach in developing the production of export products and in earning a substantial income in foreign currencies. Industrial departments, provinces and cities expanded the production of certain products derived from synthesized fiber as in Dong Nai, Phu Khanh, Quang Nam-Danang provinces, and in Ho Chi Minh, Hanoi and Haiphong cities. Localities also set aside an amount of foreign currencies to import raw materials for the production of fabrics for local consumption. To solve the shortage of yarn, localities restored their traditional professional skills, stepping up cotton planting and developing sericulture as in Ha Son Binh, Quang Nam-Danang and Phu Khanh. Consistent with their local customs and habits, mountainous provinces made weaving products.

In 1984, output of certain essential products of the sector was restored or surpassed the highest yields of the best previous years. The year 1978 had the best output of finished fabrics and silk products: that output was almost achieved in 1984. The total yarn output in 1984 increased by 43 percent compared with 1977. Last year was also the year the local textile industry and small industry and handicraft reached the highest output of textile products ever attained.

3. Management of economic and technical sectors went through rational changes. In the past year, the role of the Federation of Textile Enterprises was not limited only to the provision of raw materials for localities. The sector went farther into planning activities, and in conjunction with localities, reorganized the sector, redistributed production, and rearranged the provision of raw materials. The sector and localities worked together in balancing minimum production conditions in order to achieve planned requirements. Product groups also stepped up their activities and developed their capabilities, primarily the knit product groups.

Management actions pertaining to norms, product quality standards, delivery schedules, and material supply final statements, were strengthened.

Localities such as Ho Chi Minh and Hanoi Cities, Ha Nam Ninh, Quang Nam-Danang, Phu Khanh and Dong Nai provinces reformed or installed additional equipment, hence increasing the capabilities of the textile sector and developing its strength. Many localities began to make new products such as checkered fabrics, striped silk fabrics, silk, and washing cloths for export. Traditional occupational activities were expanded in localities.

The above changes were the true causes of success and the sources of valuable experience.

Problems That Still Need to Be Solved:

Besides the above successful achievements, there still are many problems that need to be solved in order to attain the objectives in 1985 and in following years:

--In terms of raw materials, there is a great demand for cotton material fiber and silk fiber, and their import is still needed. However, maintenance and use of those raw materials are still wasteful. In the long run, raw materials for the textile sector must come from domestic sources, yet research and study toward that direction has not started. Production organization, work distribution, decentralization and management systems must be studied and appropriately selected in order to enhance management effectiveness, and to make a close linkage between raw materials and end products. Management of the sector needs improvement.

Some results were obtained in production and business linkage and connection activities, but socialist business patterns were limited and in certain areas, bureaucratic and overbearing attitudes still prevailed. Leverage in production and business and in financial autonomy was not adequately given to allow enterprises to recover their capital, to generate capital and to accrue state assets. The self-balance-through-the-four-source plan was not implemented. There was some progress in providing operational guidance, but in certain instances, production decisions and orders were not rigorously executed.

There were many S&T cadres but their assignments were inadequate and there was a lack of leading cadres and good experts which hampered efficiency.

Labor productivity was still low. Product quality, yarn quality and the A category product ratio were still low.

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The year 1985 is a particularly important time period in the sense that it is the year the textile sector has to attain its highest objectives in the 5-year plan (1981-1985). It must produce 380 million m of fabrics in order to contribute to stabilizing the people's lives in execution of the resolution of the Fifth Plenum of the party, to live up with export tasks in the framework of current accords, and to prepare for the 1986-1990 plan.

In the face of difficulties and the present imbalance in production, these tasks are quite ambitious and heavy. Therefore, the textile sector, from central to local levels, must undergo rational transformation in matters of perception, centralized, resolute and strict leadership, application of efficient measures, exploitation of all potentials of the sector and of local units, and implementation of the new management structure in order to create a united strength and to accomplish its missions.

1. About Raw Materials:

In addition to difficulties in coal, electricity and oil, the major present problems causing imbalance are cotton, fibers and yarn. Besides cotton fiber allotted by the state, the textile sector from central to local levels, has to balance cotton fiber supply, in order to produce additional tens of million meters of fabrics as planned. Therefore, the capabilities of the sector and of local units in self-balancing must be strengthened. In the meantime, all management and S&T activities must be geared toward the implementation of progressive norms, and of concrete and efficient economy measures. Export delivery schedules must be respected and raw materials must be supplied soon enough to this effect. These measures must be taken not only for 1985 but also for the following years.

--Central-level enterprises will improve their direct and indirect export-import capabilities to create additional sources of balance. They will expand business linkages and connections with localities and other sectors in whatever ingenious, flexible and possible forms allowing mutual interest and helping solve raw material problems.

--To reduce raw material waste, production standards must be revised, commodity production must be retailored and planned, workers must be given refresher training, and industrial regulations and planning must be strictly observed. Discards must be categorically used for the production of low-level consumer goods, and waste must be prohibited in the use of returned or discarded cotton.

--Tight control must be exerted on the supply of yarn to localities in the small industry and handicraft area, in matters of production standards, quality, material supplies, final statements and product delivery. In conjunction with localities, a system of awards and penalties in standards implementation must be rigorously enforced.

--Cotton and silk purchasing from localities must be done to the optimum for fabrics manufacturing or for the making of blankets and sweaters. An appropriate price policy must be instated to encourage a long-range and stabilized development of cotton, ramie, jute and mulberry planting among the people, primarily those with related traditional skills. Processing technique must be taught to assist localities in producing raw materials.

2. In Terms of Management:

A most important issue in 1985 is the strengthening of management of the sector, establishing close ties between central and local levels, and between industry and small industry and handicraft. A proper mobilization of the capabilities of the sector from both central and local levels is a capital requirement for attaining the planned objectives. The year 1985 will witness rational transformation geared toward the development of the basic unit's creativity and dynamism in the socialist business pattern. In particular, per Resolution No 156-HDBT, the textile sector has obtained state approval to serve as a testing site for sector management improvement. The resolution was consecutive to a ministerial recommendation that stressed the following essential issues in matters of organization and management:

--To reorganize the textile sector as an economic-technical sector encompassing central and local state-operated units, collective and private production units in each locality and each territorial zone in the whole country. To rationally distribute production tasks, to specialize production of export products and local consumer products, to assign labor force in a way consistent with product quality and enhancement of economic efficiency, and to strive toward the creation of zone federations of enterprises.

--To reorganize the network of textile machinery, to cooperate with other sectors in the manufacturing of textile machines, equipment and accessories. In the immediate future, to obtain authorization to use some of the foreign currencies earned through product export for importing indispensable exclusively used material supplies.

--To create an interconnection between the export-import of textile products and materials, and production, and in turn, to create a closer interconnection between production and national and international markets. In terms of exported products, in addition to income and expense accounting in Vietnamese currency, to institute a new accounting system in foreign currencies, visualizing the distribution of profit between the state and export production units and between the latter and foreign currencies.

3. In Terms of Leadership and Management:

The more difficulties the leadership has to face, the more sensitiveness and ability to forecast impediments and imbalances is asked from it.

The Federation of Textile Enterprises and localities are enjoying tight leadership in implementing together the planned production of fabrics. The mobilization of the capabilities of an S&T sector in implementing the plan is the central operational task in 1985.

We must encourage the utmost display of the spirit of initiative and resourcefulness of units at both the central and local levels in order to use all potentialities to the optimum. We must concentrate in the production of products for export, respect the terms of agreements with other countries, especially the Soviet Union, and ensure quantity, quality and prompt delivery schedules.

We must multiply business linkages and connections, and become independent in both procurement and disbursement of raw materials, and hence, achieve a self-balance in this matter. We must research the widening of contract ordering of goods with other countries in order to partly solve raw material and accessories problems. We must coordinate closely with other sectors and localities to address the needs of the people for clothing.

We must improve the modus operandi from the Federation of Textile Enterprises down to basic units and within each production unit, instate a rational distribution of work and decentralization, reduce intermediaries, and simplify the mechanism of secondary transactions. We must improve the system of economic information, and define a set of statutes for business linkages and connections, and for self-procurement and self-disbursement. We must provide a centralized leadership for key plants: 8 March, Nam Dinh, Vinh Phu textile mills, Hanoi spinning mill, and Viet Thang and Thang Loi textile mills. We must take advantage of the honor of being selected by the state as a testing site to gradually and rationally reorganize the textile sector, and to make it worthy of being an economic-technical sector.

In the immediate future, we must consolidate the leadership mechanism at the Federation of Textile Enterprises and at units in the context of reduction of intermediaries, hands-on leadership, and all-out acceptance of responsibility in each management area and in supporting units. We will test the reorganization of production of some plants. We will learn from the management experience of the Nha Trang spinning mill and adapt it onto some new plants.

We must intensify the activities of product groups in order to solve technical requirements and worker training needs for units at central and local levels.

4. In the Technical Area:

We must resolutely restore the initial requirement to meet industrial standards of the textile sector in order to enhance product quality, save raw materials, appropriately use equipment, and bring management actions into a smooth operational pattern.

--About yarn: To raise the average ratio of spun yarn. Thinner yarn not only saves cotton, but can serve as a basis for increasing fabric quality and for saving yarn as well. Moreover, it is compatible with existing conditions of spinning equipment which is now inadequate. We must raise the quality of yarn of the central-level enterprises. In conjunction with localities, the Federation of Textile Enterprises will handle the task of spinning yarn on OE machines and of equipment installation for manual yarn spinning with local cotton.

--About weaving: We will stabilize the distribution of work for the production of export products and in support of national defense. We will tailor the production ratio of fabrics for shirts and pants, of thick and thin fabrics in a rational manner. We will plan the production of new products in order to have more attractive patterns which require less raw materials. We will rationally distribute production work for the textile small industry and handicraft. We will produce gauze mosquito nets instead of cotton nets.

We will research the production of knit outer garments and other products for export. We will develop existing cum ho mac [untranslatable], and research on equipping cum ho for localities possessing a large and centralized textile sector.

--About dyeing: We will provide good maintenance and repair for dyeing equipment. We will research the use of chemical dyes in socialist countries. We will enhance the quality of finished mixed-material fabrics and produce more beautiful printed fabrics with rich colors which respond to the taste of foreign clientele and address export requirements.

--About product quality: To produce textile products that can enjoy credibility in the national and international markets is a must. Therefore, we need a system of management measures geared toward the attainment of homogenous quality, from raw materials to end products. A linkage must be made between results achieved in product quality and workers' remuneration and benefits. We will raise the A category fabric ratio to 80 percent. We will enforce stricter quality control and resolutely discontinue any product that does not meet quality standards. We will particularly raise the quality of the 5434, 3735, 6060 fabrics and knit products in textile mills.

--About economy: We will review and tightly control raw material attrition standards and gradually introduce progressive standards of the 1960's in order to save raw materials. We will use material economy standards as guidance for the 1985 plan. We will strictly control yarn consumption. Enterprises must possess a registered plan for saving cotton, yarn, dye chemicals and other material supplies.

--About equipment and accessories: We will restore equipment with a better quantity and quality than in 1984. We will restore 70 percent of the automatic gear of weaving machines. We will provide maintenance and repair to restore reserve equipment as well as major industrial equipment. We will raise the quality of textile machine accessories. We will research the production of accessories for spinning and dyeing equipment in order to diminish imports. We will repair and restore the production of good-quality shuttles.

Localities will use machinery in the manufacturing of accessories and set aside part of their foreign currencies to import wire healds for weaving machines. The Federation of Textile Enterprises will be responsible for providing wire healds for weaving machines making export fabrics. Along with the Federation of Textile Enterprises, localities will improve manual spinning tools and weaving looms, and will assign improve equipment to where raw materials are available to support the movement of self-sufficiency in clothing fabrics.

5. About Labor, Wages and Living Conditions:

--We will revise synthesized labor standards on the basis of one product unit to serve as foundation for wage and award payments.

--We will learn from the 1984 wage and award payments in order to institute a dynamic wage system capable of acting as a lever to stimulate production.

--We will rearrange labor assignments and retaylor production to be consistent with the peculiarities of the textile sector.

--We will concentrate on improving the quality of midshift means, subsidizing hazardous exposure and the third shift, solving housing problems, and working on welfare community projects. We will solve the issue of secondary jobs for workers' families.

Keeping the momentum gained in the past, in 1985, the textile sector, from central to local levels, with a new resolve in accomplishing the planned objectives and in strengthening management work, will produce more goods for the consumers and for export.

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HEALTH, EDUCATION, AND WELFARE

EDUCATION INADEQUATE TO COPE WITH ECONOMIC PROBLEMS

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/Article by Laurent Maillard/

/Text/ Hanoi, 25 Sep (AFP)--Education is lagging behind in Vietnam and failing to provide the talent needed to tackle the country's economic problems, an official study has said.

The study, published this week in the magazine INFORMATION-DOCUMENTS, severely criticized the educational system.

"The expansion of primary education has met with difficulties and students' abilities have not kept up with the country's needs," the review said.

The report also cited waning interest in night school courses, minimal promotions for teachers, and insufficient funding for education, resulting in poor teaching materials and methods.

Education Minister Nguyen Thi Binh confirmed the dismal findings. "We have made important progress, particularly in educating the million illiterate children left behind by South Vietnam in 1975 and making primary education nearly universal, but real problems remain," she told AGENCE FRANCE-PRESSE.

Western analysts have estimated that primary schooling would level off at 90 percent, and the literacy rate would reach 80 percent, figures which come close to those offered by the Vietnamese and which UN officials have called remarkable.

Mrs Binh acknowledged that some 20 percent of the children in certain regions, particularly the Mekong Delta, remain uneducated, mainly because of inadequate communications and means for transporting children to school.

Infrastructure and materials are also lacking, the minister said.

Primary school buildings are often rundown and have only one classroom which may lack chairs, tables and educational materials, and which limits each class, which often numbers 50 students, to half-day sessions.

With funds that run around five to seven percent of the national budget, estimated by Western analysts at about 80 billion dong (6 billion dollars) in 1984, the Educational Ministry must stick to modest goals. "You have to be realistic," Mrs Binh said.

The minister sees her main priority as consolidating the present situation. Objectives for 1990 include increased classroom space and reinforcement and repair of existing buildings.

Current efforts are focussed on reforms introduced over the last 4 years and designed to improve teaching, with an emphasis on increasing professional training for students at an early

All programs of "general basic teaching" (from ages 5 to 14) are henceforth to include agriculture and elementary technical training.

Improve teaching is also a priority for the ministry which circulated a notice at the beginning of the school year citing the necessity of "better teaching and studying."

Efforts to improve the quality of teaching are also underway in night school programs, which cater for some 1.5 million students who never finished their basic level schooling.

School attendance is theoretically required through age 14, but over half are "lost" along the way, with only 3 million students in the second 4 years of study, compared with some 8 million in the first 5 years.

The situation is apparently better at higher levels because of strict limitations placed on the number of students: only 1 in 4 primary school students may continue his studies, and only 10 percent of those 200,000 who graduate from secondary schools are allowed to enter university.

"The number of secondary school graduates is more than sufficient to meet the current needs of this country which above all requires qualified workers who have completed their basic level schooling," Mrs Binh said.

"Our higher level education also produces enough graduates. What is necessary now is to improve their quality," she added.

"After the remarkable success of the first few years, education in Vietnam seems to have levelled off at a point where each new improvement is more complicated and more costly," an official from the UN's children's organization UNICEF said, echoing Mrs Binh's comment that "it is harder to progress after a certain point."

"Despite these difficulties, education remains a priority for Vietnam," the minister said.

POPULATION, CUSTOMS, AND CULTURE

WHY YOUTHS ARE ABANDONING RURAL LIFE NOTED

Hanoi NHAN DAN in Vietnamese 28 Jun 85 p 3

[Article by Mai Kim Chau: "Why Do Youths Want to Escape from the Countryside"]

[Text] At the present time, agriculture is considered a front of the first importance. The implementation of the new contract policy has created and is creating great transformations in agricultural production. Yet the majority of youths in the countryside want to be liberated from agricultural production and the rural life. Sociological investigation data from a number of cooperatives in the Red River Delta show that those wishing for liberation come to 80 percent of the youth among those to whom the question was put; practically all of the responders were from 18 to 24 years in age. All of them have completed elementary school and/or secondary school and are working in production at the local level.

Why is there such a high percentage of youth wanting liberation from the countryside? The analysis of investigative results shows that the fundamental and overwhelming factor resides in the influence of the urbanization and industrialization process which has a strong impact on the countryside. The development of industries and the expansion of urban areas have been and are in the process of attracting many laborers from the vast expanses of the countryside. This is a normal and common trend found in every country. The bracketing of prices and salary in the state civil service system, especially in the cities, also represents a magnet pulling many laboring youths from the countryside. Nonetheless, while the whole party and the whole people are concentrating on agricultural development with a view to solving the food question for the entire society in a situation of many objective difficulties represented by the population explosion which is reaching alarming proportions, the question must be raised for consideration and eventual solution as to why the majority of youth, strong and educated youths want to leave the countryside (including 90 to 100 percent of those who have completed secondary schooling).

In the eyes of the rural youth, industrial work and work in the other professions in the cities, which are characterized by salaried payments, especially in the situation of our country having been subsidized indiscriminately, where there is clear delimitation between work and rest,

not counting the fact that along with it there is a social insurance system much superior to the situation of hand laboring in agriculture, which is heavy and depends on natural conditions. That is why, when asked what profession they would pick and where they would go once liberated, the youths have given answers that are extremely varied. But the important thing, they say, is that it does not matter where as long as they get incorporated into the civil service without having to stay in the countryside to do field work. The attraction of the cities and of the industries is perceived by the rural youth to be in the higher living standard there, especially in the cultural and spiritual life found there. According to them, the cultural and spiritual life of the laborers in the industrial professions and in the cities is vastly superior to that found in the countryside. This is the most clearly expressed item found in the perception of rural youths. When asked by us, "Do you realize that the economic situation of the workers and office workers in the cities is at the present time poorer as compared to the living standard of the farmers?," the answer given by most of rural youths was, "Sure we do." Yet they still wish to join the ranks of the laborers in the cities and in the state civil service. They say that life in the cities is more civilized, has more amenities, especially the much richer, cultural and spiritual life such as going to concerts, having television sets, seeing movies and other artistic performances, watching sports and athletic competitions, attending lectures that have high information content, reading the papers and journals, going to the parks, having possibilities of wide intercourse, etc. It is clear, then, that the rural persons want to reach the cultural and spiritual level of the urban dweller. This yearning is all the stronger when the cultural and spiritual life in the countryside is still rather poor and deficient. In terms of cultural and artistic appreciation, the cultural and spiritual life of the peasantry at the present time is limited to film showings, artistic performances and radio programs. But even these forms have become rarer and rarer with the film crews and artistic troops paying more attention to business considerations and concentrating more on more convenient locations where they would be able to attract more customers. Even radio reception systems are not universally available, and even where they exist, they do not operate on a regular basis. And that does not include the fact that various cultural and spiritual activities in the various localities, activities which are of a collective and communal nature and which importantly in a sense answer the cultural and spiritual needs of the population, and which are the main manifestation of cultural and spiritual life in the countryside, are given less and less attention. That is why the social life and atmosphere in the countryside at the present time is relatively poor. The cultural and spiritual needs of man constitute one aspect of the very nature of man. If the society does not pay attention to answering these needs then the peasants themselves will find their own way to these "cultural and spiritual dishes," even though they may be old-fashioned and inappropriate "dishes," of the negative type, or those of a more modern, positive type. Youth, which consists of the most active elements of society and those who always wish to have a young and fresh way of life, cannot be satisfied with the above kind of spiritual life. In fact, over 80 percent of those asked actually said so.

The above situation is partly owed to the fact that the leadership in some localities, in concentrating priorities on production, has neglected the cultural and spiritual life of the rural youths. On the other hand, the mass organizations, especially the Ho Chi Minh Communist Youth Union, have not actively been creative in finding attractive forms of activity to rally and attract the youth. That is why, when asked, "What suggestions do you have for the local Youth Union?" 55 to 60 percent of the responders said that it must change its formulas for carrying out union activities, that it must organize cultural, artistic, sports and athletic activities, build libraries, form youth clubs, etc.

It is necessary, of course, to supply the various industrial sectors with new young, strong and educated laborers. But if the majority of rural youth want to be liberated from agriculture then it will create serious imbalances in the labor force. First, the various nonagricultural production sectors are carrying right now too heavy a roll, which is of low efficiency and which has no capacity to absorb such a large number of rural workers who may leave like that. Second, agricultural production is an important front which is currently requiring that many young and educated laborers concentrate their efforts and spiritual power to expand production and build the countryside. Third, because the youths want to leave and are determined to leave the countryside, they will find all kind of ways to go, leading easily to negative practices, such as bribing and working on connections, etc. Quite a few peasant families coming from districts very far from Hanoi, sometimes coming all the way from Central Vietnam, have moved en bloc, not just the young people, but also the grandparents, abandoning the fields go go to Hanoi and become people on the state rolls or dependents thereof with the state taking care of their food and shelter. To make the youths be attached to the countryside, to the development of agriculture and to the building of a new countryside, we must boost up the cultural and artistic movement, raise the cultural and spiritual standard of the peasantry. The various cultural and artistic movements must first of all be born from the grassroots and work for the grassroots. Next, one should gradually transform the face of the countryside and of the cities. These are legitimate concerns of the peasantry in general and of the rural youth in particular. Just as many will confidentially tell you: "The greatest hunger of the countryside at the present time is not physical hunger, it is a hungering for culture and spiritual activities."

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